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INFORMATION AND ANALYSIS FOR CABLE TELEVISION MANAGEMENT — JANUARY 1, 1990

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CableVision (USPC 547-410) (ISSN 0361-8374) is published biweekly by Thomson Retail Press, 600 S. Cherry Street, Suite 400, Denver, Colorado 80222 -or- P.O. Box 22955, Wellshire Station, Denver, CO 80222. January 1, 1990, Volume 14, Number 14. Subscription price: 1 year, $53.00; 2 years, $98.00. Outside USA 1 yr.-$124, 2 yr.-$206, 3 yr.-$274. PREPAYMENT IN U.S. FUNDS ONLY! Second-class postage paid at Denver, Colorado and additional mailing offices. POSTMASTER: Please send address changes to, *CableVision*, 600 S. Cherry St., Suite 400, Denver, Colorado 80222.

ABP BPA

THE CLASS OF THE '80s

Those who made their mark on the decade

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TED TURNER 1980

Chicken Noodle News. Cable's newest nonsense. The service bound to slip and drag the industry with it. That was how most media executives, and more than a few operators, greeted Cable News Network prior to its June 1, 1980, launch. What's more, the man behind CNN and the rest of Turner Broadcasting was, just one summer earlier, the person least likely to put $50 million into round-the-clock TV journalism.

When the subject of news was brought to TBS Chairman Ted Turner in those days, he had few positive comments. Indeed, whatever news would appear on superstation WTBS surfaced in the wee morning hours, sometimes delivered by an anchorperson reading stories under a paper bag. But for reasons still unclear, Turner became a convert. And CNN, one of the first specialized basic channels to emerge this decade, finishes the '80s as an institution which in many respects has surpassed its broadcast news brethren.

"To characterize the launch of CNN as anything less than the most heralded event in cable TV history would be an understatement," wrote Barbara Ruger, then *CableVision*'s New York bureau chief, after the fact. But technical flaws and all its other warts aside, CNN slowly developed int. a dependable source for news which managed to captivate viewers by allowing them to catch history in the making, live and often ahead of broadcasters. Whether it was the Challenger space shuttle explosion in 1986, the Iran-Contra hearings two years later, the democracy movement in Eastern Europe this fall or the U.S. attack on Panama this month, breaking into coverage for coverage became routine.

Bringing in affiliates and advertisers turned out to be a bigger struggle for Turner than first anticipated. Despite general acclaim, CNN premiered with about 1.7 million households, more than a million homes below initial expectations. While Bristol-Myers liked the format's medical reports enough to spend $25 million for a decade-long sponsorship, and 16 other companies followed along, other advertisers waited for the service to prove itself through ratings. However, Turner promised not to cut his support for the network in the face of continued operating losses and quickly gained the trust of many key MSOs.

Satellite News Channels' entrance in 1982 could have been Turner's own Waterloo. With considerable financial and news resources supplied by ABC and Group W Satellite Communications, SNC promised to throw a broadside at CNN's growth. Turner responded with a preemptive strike, launching Headline News six months before SNC could launch its first of two planned services, complementing CNN's in-depth coverage with half-hour updates. More than a year later, the action would pay off when Turner bought SNC for $25 million and converted its affiliates to CNN and Headline. "We may not have won the World Series, but we won the all-news war—a consolation prize," he told *CableVision* then. "We're still losing considerable money now. It's going to be awhile before it all shakes out (but) it's definitely going to be better."

CNN turned a profit in 1985 and hasn't looked back since.

— Simon Applebaum

BOB PITTMAN 1981

Once upon a time—January 1981—Warner Amex Satellite Entertainment Co. didn't want its MTV.

Had Bob Pittman not made one last push before top Warner Amex brass that month for his concept of a 24-hour basic video music service with "attitude," one of the most influential forces in cable this decade, not to mention much of the civilized world, would never have materialized.

Building a successful reputation as a research-driven radio station programmer, Pittman joined Warner

Amex's executive team in 1980, certain that the time to bring music and artistic video together was right. "Had we done MTV in 1968, we would have bombed because the audience wasn't ready," he reflects.

"But during my radio experiences, studies convinced me that we had a generation growing up on rock and TV that responded to a different, faster way of receiving information. The video music network idea was batted around for a while; the problem was that nobody came up with a format where the videos were set within an emotional identity that would keep viewers interested."

Although Pittman earlier executed a prototype in *Album Tracks*, running on the NBC-owned stations after *Saturday Night Live*, Warner Amex's board found MTV hard to swallow and vetoed the idea before Christmas 1980. Not giving up, he arranged a meeting for the following month with the company's co-chairmen at the time, James Robinson from American Express and Steve Ross at Warner Communications. Stressing potential consequences more than the actual content, Pittman won support from Robinson and Ross, and started building the team that would premiere MTV that August 1 with the immortal Buggles song, *Video Killed The Radio Star*.

Pittman attributes the board's attitude of uncertainty to how well specialized basic services would be received among operators, given the early struggles of CNN and ESPN. "Steve wanted to do music on cable back in the QUBE days and both men like risk-taking," he says. "We earned their ear when we presented this as the next TV dimension, similar to what FM achieved in radio." Anything short of a definite commitment would have short-circuited the emerging video clip business. "If we didn't get on, many record companies were prepared to cut off their video production budgets," Pittman believes.

Recording MTV's impact on society-at-large is a formidable chore. The accomplishments include helping Madonna, Cyndi Lauper, U2 and others become superstars while Michael Jackson earned mega status; inspiring NBC to make *Miami Vice* and forcing advertisers and entertainment producers to radicalize their creative strategy towards the 12-to-34 age consumer. Within cable's sphere, the channel has left a pair of legacies in Pittman's mind: achieving a target audience's devotion, and respect from the production community.

Following an unsuccessful management buyout of MTV (Viacom was the ultimate winner), he exited MTV in 1987 to establish Quantum Media, a joint venture with MCA, which hit success with *The Morton Downey Jr. Show* and *Totally Hidden Video*.

Another cable channel might be in Pittman's future. Once the final Time Warner integration occurs, he will take a new media development role there.

Pittman has no regrets about his MTV departure, or how the network has progressed in the interim. "You have to change for change's sake in order to go from novelty to institution, and the changes made at MTV over the last few years have been extraordinarily good," he observes.

One final bit of trivia: Pittman did not create MTV in name. That honor belongs to fellow Warner Amex official Steve Casey, who suggested the title during an all-night brainstorming session. TV-1 and TVM (for TV Music) was Pittman's original choices, but were unusable for legal reasons.

— Simon Applebaum

GLENN JONES
1982

Before 1982, cable limited partnerships, according to Glenn Jones, were "un-American." But patriotism came quickly to Jones' many doubters that year when his company began raising serious dollars in public partnerships, a segment of the cable industry dominated by Jones in the '80s.

By "avoiding things a lot of brokerages wanted us to do" and "paying attention to the integrity of the product" says Jones, the cable maverick had proven the worth of public partnerships and established Jones Intercable as the founding company in the field at a time when

financing was hard to come by. "I knew when I filed my first security that it would work. I saw the cable business as almost a genie in a bottle," he recalls.

Jones adds, "I had to figure a way to be a chess player in a $10 billion industry with $400." That $400 Jones started with has compounded nicely—he expects to raise $170 million in equity in 1989 and $250 million in '90. His company will have done more partnerships the past three years than in the previous seven. Says Jones, "People over time pay attention to performance."

Yet for all the success of his partnerships, it is but a means to an end—Mind Extension University. "Cable television is the largest university in the world and MEU is the gateway to the 21st Century. This is why I got into the cable business," Jones explains.

His Mind Extension University lost about $4 million last year, and will probably lose that much in 1990. But Jones says long term it will be profitable. "It's the realization of a dream."

— Craig Kuhl

JOHN MALONE 1983

If cable television were pop culture, it's reigning icon would be John Malone.

The growth of his Tele-Communications Inc. through the '80s has elevated Malone to a position of not only leadership, but supremacy in the industry. Under his direction, TCI's asset base has grown by more than 65 percent annually, enough to start a top-50 MSO each year. Malone's spree began in 1983 when, in the space of a year, he bought Liberty Communications, Telemedia and CableScope, paying a collective $368 million for 610,000 subscribers.

Malone remains an anonymous figure to even those consumers sophisticated enough to identify broadcast network owners. It's probably true that Ted Turner is the emblem of cable television to the American public. It's equally true that without Malone, and the MSO-bailout of TBS he orchestrated, there'd no longer be a Ted Turner in cable television.

However, Malone's been profiled in business publications from *Barron's* to *Fortune*. A *Business Week* cover story dubbed Malone "Darth Vader," because of his legendary acumen at the negotiating table. By his own concession, he doesn't often pay retail.

There seems no limit to his aegis. Current reports say Malone will dictate who buys the MGM studio, and if he hews to his determination to stay out of programming production, it won't be TCI. He's said to be arbitrating the settlement of Viacom's suit against Time, and will determine the fate of the companies' dueling comedy channels.

Malone hasn't built a piece of hardware since he left General Instrument, yet TCI's leadership in the development of advanced television technologies will do to video electronics what the CD has done to audio electronics, and help to restore the U.S. to a leadership role in high technology.

If none of this comes to pass, it's not likely to reflect poorly on Malone. He's a teflon man in a teflon age. If all of it does, he'll be recorded as a phenomenon in the sociology of mass communications.

By the end of the '90s, he may even be a pop culture icon.

— Robert O'Brien

ED ALLEN 1984

For months he had been preaching in the wilderness, diligently flying around the country, working the trade show panel circuit and huddling behind the scenes with a succession of MSO chiefs. But it was not until just before Christmas 1984 that Ed Allen, then head of Western Communications, knew he could deliver on the mandate that had fallen on his shoulders: Use his good offices as chairman of the board of the National Cable Television Association to marshal a contentious industry behind a common legislative goal. In many respects, his reputation for credibility and fairness, built during three decades in the industry, was on the line.

"Jim Mooney was the general. He did all the strategy" for what was to become the Cable Communications Policy Act, Allen recalls now. "My function was to create a consensus out of a badly splintered board. And even though I had talked, cajoled and debated with lots of people for months, it wasn't until that special NCTA board meeting at the Madison Hotel in Washington, about two weeks before Christmas, when I asked for a show of hands, that I knew we were there."

Using an oversize Zippo lighter to rap on the podium to bring the

historic meeting to order (he was smoking two packs a day of Winstons then, and didn't manage to quit until the end of his second term as NCTA chairman in mid-'86), Allen asked NCTA President Mooney to go over the outlines of the legislative package that then was known as S. 66.

Then it was time for the showdown vote. As Allen looked around the long table where the board members sat, he knew that they fell into three camps. Several were satisfied with the regulatory status quo. They had good relations with their cities and felt it was unwise to rock the boat. A second group felt some regulatory relief was needed, but believed all of it was achievable through FCC rulemakings. The third camp, in which he secretly numbered himself, felt strongly that the future success of the business depended entirely on federal preemption and deregulation, a total break with the past to forge a new kind of industry alien to himself and the rest of these CEOs. He wondered, in the moments before he would ask them to vote, if they could see a vision of that new day in his eyes.

"All in favor." Allen knew which votes he could count on, so he didn't focus on them. His gaze shifted to the shaky votes. Would his coalition hold? Had someone gotten to them outside the meeting and "turned" them toward a different view of the industry's tomorrow?

One by one the hands went up until the air was filled with arms. All but two of the 36 board members (Chuck Dolan and Leonard Tow) voted to accept and support the legislation. Allen flicked his Zippo to light a cigarette and hoped no one would notice his hands were shaking.

Two weeks later, President Reagan signed the Cable Act, and the rest is political and social history.

— Steve Tuttle

MICHAEL FUCHS
1985

Home Box Office has established its reputation in original television programming, but that wasn't always part of its image.

Michael J. Fuchs played a crucial role in changing the picture at HBO from the time he arrived in 1976 as head of original and sports programming. "When I came to HBO I sold them on the idea of doing original programming," Fuchs recalls.

Gradually the momentum to put up original productions grew through comedy specials and other vehicles. And by the time Fuchs was named to his present position as chairman and CEO in late 1984, HBO had aired its first original movie, *The Terry Fox Story*, and HBO was clearly on a roll.

"In drama, we wanted to do subjects people wouldn't go near," Fuchs says. "We got into that category of programming because people are looking for heroes," he adds.

HBO has produced more than 40 original feature films since '83. And by 1985, HBO was winning critical recognition for its productions and increasing the frequency of its original movies.

Sakharov, presented in 1984, took four ACE awards in 1985, a year in which HBO produced and presented several more memorable original films. Those included *The Park Is Mine* with Tommy Lee Jones, *Reunion At Fairbrough* with Robert Mitchum and Deborah Kerr and Robert Preston and Mary Tyler Moore in *Finnegan Begin Again*, winner of the Silver Leopard's Eye Trophy at the Locarno International Film Festival. *Murrow*, which aired in early 1986, won three ACE awards.

E. Thayer Bigelow, president of HBO, credits Fuchs with setting the course for HBO in the original production arena. "Michael really pioneered the original programming," Bigelow says.

From the outset of its original efforts, HBO set high standards for itself. "We wanted to do all the big, ambitious stuff," Fuchs says. He still keeps files from projects on the drawing board in those early days, many of which HBO ultimately produced. "We've pretty much stuck to the programming we wanted to do from the very beginning," Fuchs observes.

In fact, Fuchs sees a continuity in the type of original programming HBO has sought to produce since 1976. And he credits the continuity of senior programming executives such as Seth Abraham, Bridget Potter and Robert Cooper for HBO's consistency in original productions over the years.

Fuchs points out that HBO was the first U.S. television producer to get heavily involved in international co-productions, largely for the economy they offered. And he takes particular pride that HBO's feature films and documentaries, including *Dear America*, have played well in Europe.

That's just another testament to the quality of HBO productions over the last several years. "If people are paying for it, we think we should do it better than anybody, but also different than anybody else."

— Richard Tedesco

JIM CHIDDIX/ DAVE PANGRAC 1986

Jim Chiddix

Dave Pangrac

Landmark events don't always come to light in a blinding flash.

Amid the headline-grabbing developments of late 1986, an idea relayed by an engineer at Oceanic Cablevision in Honolulu, intriguing as it was, held little hope of producing what has arguably become the most important technological development in cable television in the past decade. After all, fiber optics was a technology for telephone companies and, as any optronics engineer worth his salt would tell you, lasers weren't meant to pump amplitude-modulated signals. Any thought that one could get anything like the multiple-video signal output of a CATV headend into an AM modulated lightwave link was a sign of pure naivete.

But if, in an "oh,-by-the-way" aside in late '86, Oceanic Vice President of Engineering James Chiddix publicly was underplaying a concept conceived by his fellow ATC engineers in Kansas City that year, he was anything but blase about the possibilities of fiber optics in discussions in-house and with other industry leaders. As soon became apparent, Chiddix, now senior vice president for engineering at ATC, was building enthusiasm among fellow engineers for the Quixotic mission of scouring the globe for a laser diode that might overcome the daunting barriers to multiple channel AM video propagation over fiber.

When Dave Pangrac, then chief engineer at ATC's Kansas City system, got the inevitable followup inquiry about this idea of a "fiber backbone," his response did little to encourage a news-hungry reporter. "We have so many outages caused by lightning here," he commented, "it's gotten to be a real headache. Don Gall (now chief engi-

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Bucking a Trend!

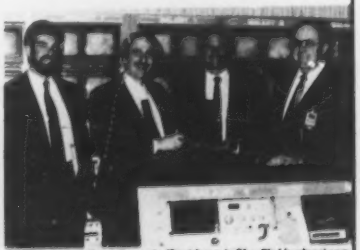
TBN RAISES $30 MILLION IN ONE WEEK!

"Bucking a trend"—that's what the *Los Angeles Times* said in a front page article on Nov. 13 reporting that TBN had a record telethon, even though *"a recent Gallup Poll reported that 79% of Americans do not trust TV evangelists with their money."*

Actually, we're not surprised at all. In spite of all the bad press about TV evangelists, our supporters know something that many cable operators have also found out... *TBN has financial integrity.* Our supporters continue to trust us with their money, and TBN cable affiliates can count on receiving their quarterly cash incentive payments.

TBN has a long, proven track record of reliability and financial integrity in the cable industry. We've been with cable since the beginning of satellite distribution, we're continuing to grow in cable affiliates today, and we've made a commitment to the future .

TBN JOINS GALAXY V... THE CABLE BIRD FOR THE 90's!



TBN President Paul Crouch (2nd from left) with Hughes' representatives (L-R) Bob Del Deo, Jim Ranno, and Jerry Farrell.

TBN is proud to be a part of the prestigious line-up on Galaxy V. By signing with Hughes Communications, we're saying to the cable industry, *"We're one of the best...we're here to stay!"*

You don't have to wait for the launch of Galaxy V. You can become a TBN affiliate today. For more information on our cash incentives, contact a representative at our National Cable Sales Center at (303) 650-5515, or write to TBN, 9020 Yates Street, Westminster, CO. 80030.

TBN Cable Network

TIMELINE: BOMBS

For every success the cable industry enjoyed during the decade, there were at least two ideas that bombed. From CBS Cable to TV Cable Week, *these notable failures now are the stuff of legend. A few are recounted here:*

3/80: BBC In America, three-hour primetime Time-Life Satellite Network basic service, doesn't get off as planned.

7/80: Warner Amex considers game show and shopping channels, nixes both ideas. *Columbus Dispatch* and CompuServe experiments with electronic newspaper service in Columbus, Ohio, flunk.

9/80: Cinemerica Satellite Network for over-45 crowd, and Las Vegas Entertainment Network for the glitter brigade don't premiere as advertised because of financial problems.

10/80: Tocom says it will mass-market 55 PLUS equipment, capable of handling 55 video channels and 55 teletext channels...fails.

12/80: Comp-U-Card tries to create home shopping channel, fails. Gannett forms division to create cable programming services, nothing happens.

1/81: TBS files for 25 low-power TV stations, but disbands idea.

3/81: Satellite Program Network contracts for Network For Working Women soap opera block, but no-go on ad agency project.

4/81: United Press International drops Newstime slow-scan video service that mixes alphanumeric text and photos. Times Mirror and Comp-U-Card launch The Shopping Channel video shopping service test for 150,000 homes; it folds 4/82.

5/81: Cable Coupon Network introduced to insert coupons with billing statements...venture folds following year due to financial jam.

6/81: UTV Cable Network formed, shoots for 1/83 launch and never makes it. Several erotic pay networks get going, including Eros and Private Screenings, last a year or more but eventually tumble when affiliates balk on carriage and fears of local outcry. Oak Industries forms STV programming division...business takes a hike when STV industry sours in mid-80s.

7/81: Cable Newspaper Co. tries to launch magazine-format basic information network by 4/82...and can't.

10/81: ABC/Getty Oil team for national pay sports service, RSVP Sports; monthly PPV event plan surfaces, but doesn't work. HomeGuard of America markets 24-hour "Security Channel" but gets few takers.

2/82: Channeltainment floats Sitcom I, an all-sitcom service...no launch after a year in the hopper. CENTS becomes another comedy effort ahead of its time, proposed by young Minneapolis businessman Ivan Bonk.

5/82: ABC and Cox enter joint venture covering PPV, videotex, Indax and other high-tech services...quietly disbands by fall.

8/82: Don King Sports & Entertainment Network debuts...is short-lived.

11/82: Apollo Entertainment Network, proposed ad-supported network coming from New York's Apollo Theater and headed by Inner City Broadcasting, postpones for good.

12/82: Heartbeat Music Network, would-be MTV rival, falls through when funds dry up.

1/83: The Games Network attempts interactive video game venture; year later, finances wilt and hardware doesn't come for national rollout, leading to burnout.

6/83: The Mood Channel tries offering 24 hours of video "landscape wallpaper"...too many flies here; believe it or not, Steve Martin was involved with this (CV, 6/13/83 , p. 15).

7/83: Home Music Store, transmission process where subs pay for satellite-delivered album tracks, bombs. TVSM floats The Preview Channel, pay/basic program highlight guide and listings channel...no action.

8/83: Jones International whets marketplace with Futuretex, games/information videotex service, but doesn't go further than that. Star Video Music, yet another clip channel contender with broader music format, comes and goes.

9/83: Just For Listening, 10-channel pay audio package from Margaret Durborow and Cable Marketing Management, gets no takers.

10/83: CableLINE, labor-related programming service, is tested by AFL-CIO...national distribution try fails following year.

3/84: NABU Network brings together personal computer software service delivered over cable lines...venture collapses when principal investor Campeau Corp. pulls out.

4/84: Another try at over-45 networking comes from Prime Of Life; comes on with three-hour afternoon daypart and succumbs quietly after 12 months.

5/84: HiLife Channel tries to carve adult movie PPV niche...bombs; Professional Education Network creates telecourses for business...forced off in mid '85.

7/84: College Sports Network hits industry with speciality sports lineup...winds down and out after 18 months.

8/84: Former FNN President Glen Taylor tries two services, Discovery Music Network and Computer Satellite Network...neither launch.

10/84: BETS (Betting Entertainment TV Systems), joint TCS/Metrosports venture, attempts national telegambling on cable...folds in a few months.

12/84: International Business Network formed, proposes investor news and executive lifestyle programs, but goes nowhere.

1/85: Studioline prepares to debut multiformat pay audio service...can't muster enough listeners. United Satellite Network tries to start national showcase for LO fare...April launch date passes by and so does USN.

2/85: Milwaukee regional sports net Sportsvue folds after 10 months and $3.5 million loss.

7/85: Cablevision Systems launches hour-long daily prototype of The Book Channel in Long Island franchise...concept has author interviews, readings and sales pitches...stops there. Sofcast/National Digital Network comes to Viacom's Seattle system with test of downloaded PC software enterprise...result similar to NABU.

9/85: —People's Choice PPV channel comes together...network debuts 1/86 and gets some franchises but crashes by summer.

1/86: *On Cable* Publisher Peter Funt surfaces with Cable Tonight preview spots, syndicated to 25 systems...enterprise sinks when cross-channel field gets busy. Rock Christian Network out to mix preaching with video clips...lasts until 12/86.

3/86: Pratco begins assortment of home shopping contenders who bomb on way to the launch pad or shortly after; list includes Consumer Discount Network, Horn & Hardart, Let's Go Shopping, Sky Merchant and Crazy Eddie's World Of Electronics Shopping Service.

6/87: Telstar Channels tries four-channel PPV technique; few systems go for the whole kettle and Telstar goes bankrupt.

8/87: Another wave of shopping channels come and go, including Video Mall Network and Caravan of Values.

4/88: You TV enters with a shaky diagnosis, as health and fitness lifestyle basic service has shaky Cox Cable agreement and dried-up finances...drops off a month later.

12/89: The Playboy Channel is no more, following years of subscriber universe decline, but the ashes are scattered to Playboy's thriving At Night PPV service.

neer in Kansas City) and I were trying to figure out some way to reduce the number of homes affected when an amp goes out and came up with the idea that maybe fiber could be used to break the system up into clusters. That way one amp going out in a rainstorm might shut down a few hundred television sets instead of thousands."

But, he quickly added, the only way to do this cheaply would be to keep the cost of signal conversion at the fiber/coax interface very low, which meant an all-AM solution would have to be found. Was any such gear around? "No," came the reply.

Because AM signals are patterned on variations in the intensity of the source, they are easily distorted by any pulses that affect the intensity. Preventing such distortions has been a key problem in the cable industry's push to higher channel capacities in coaxial RF distribution systems. Where light is concerned, the problem is even worse, owing to the inherent non-linearity of even the narrowest of light rays.

For this reason, it was widely assumed that fiber would only play a major role in CATV distribution systems when, and if, the industry switched to digital signaling.

No one will ever know just how great a disadvantage this might have been to the industry's fortunes as the communications world kicks its migration to fiber into high gear. But there's still a question about who will benefit most from the efforts of the ATC group and the retinue of similarly minded engineers who responded to the idea.

This was made clear on a recent visit to AT&T Bell Labs in Murray Hill, N.J., where a remarkably big effort is underway to develop AM delivery techniques, employing not only present-day devices but a new generation of components that promise great performance advances over the next five years.

Indeed, new thinking in the telephone industry looks on AM fiber technology as a potential solution to the quandary telcos find themselves in, where they seek a video revenue "driver" to expedite fiber deployment but have been unable to find a cost-effective way to provide video in the digital mode. Now, several manufacturers have put together fiber delivery systems offering POTS (plain old telephone service) digitally and video in AM, and, sources say, many more are likely to follow.

— Fred Dawson

BILL GRIMES 1987

The idea behind ESPN's landmark plan to grab National Football League rights actually was formulated eight years ago.

It all really started in 1982, according to J. William Grimes, who recalls brainstorming with Roger Werner and Steve Bornstein in a day-long staff meeting that produced the notion of seeking incremental affiliate fees for a big-ticket sport: Major League Baseball.

"It was from that meeting that we first got the concept to come up with that model," Grimes, then president of ESPN, remembers.

The plan eventually was applied to pro football five years later. And it was Grimes who led the charge.

Grimes, now head of the Spanish-language Univision network, made the final pitch in the sports network's bid for those rights on the day the '87 Super Bowl was played in Los Angeles.

That day he was invited to a meeting with then NFL Commissioner Pete Rozelle and Cleveland Browns owner Art Modell at the Blair Hotel. They talked money and production values.

Rozelle and Modell wanted an indication of just what ESPN would be willing to pay. Grimes recalls providing a figure slightly below the $153 million ESPN eventually agreed to pay for its three-year package, and explained how the sports network planned to cover that cost to the NFL executives' satisfaction.

"The economic model was explained in a way they found acceptable," says Grimes, who recalls the final price tag was less than the 10 cents per subscriber commitment ESPN originally asked cable operators to kick in.

But Modell's attitude in the meeting made it clear HBO was still in the running. Along with concerns about production values, he was worried about the nature of local advertising that would appear during the games.

Grimes reassured him on both scores, pointing to ESPN's coverage of the NCAA basketball tournament as proof of its capacity to produce sports on a big-league level.

ESPN's real groundwork was done at the 1986 CTAM meeting in Boston, where Grimes, Werner and Roger Williams held wall-to-wall meetings with executives of each major MSO.

Consumer research showing the potential for increased penetration and a projection for just a five percent profit margin helped seal the deal.

— Richard Tedesco

KAY KOPLOVITZ 1988

Punch-through programming, the idea of one cable channel paying big bucks for big-ticket television that couldn't fail to grab subscribers, had become a punched-out philosophy by the time USA Network President Kay Koplovitz gave it serious thought in 1988.

First, USA snapped up off-network rights to *Miami Vice* and *Murder, She Wrote* from MCA at $200,000 a segment. The *Alfred Hitchcock Presents* revival was moved from NBC and *Ray Bradbury Theater* and *The Hitchhiker* came over from ACE-winning HBO flights.

For the topper, Koplovitz approved production of 24 made-for *World Premiere Movies* with per-film costs approaching $3 million.

"What people don't realize is that we wanted to pull this off around 1984 or '85," she muses. "The programming was there, but the economics of the day were so prohibitive that any effort to buy major series or keep them in production could not be justified. We made headway in 1988 because ad revenues for the industry were moving up and the analysts were predicting strong growth from there."

The decision still had a gambling factor; originally, Koplovitz pushed for a maximum of six made-for features to test the waters, but eventually gave in to 12, and finally a 24-title order. Competitive pressures from other channels played a role. "When it came down to crunch time, we faced a choice of taking the risk, or risk losing market share," Koplovitz says.

But there's no doubt about the ratings outcome; USA's primetime schedule has a 2.2 rating nightly average this fall, up substantially from several years ago, while the made-for movies regularly double that number on their first run. Another 24-film package will be created for 1990. More importantly, made-fors are now cornerstones of TNT, Family Channel and Lifetime, and promoted as such. Subscribers can expect about 75 basic cable original films next year, with other basics certain to join the group.

—Simon Applebaum

RICHARD MUNRO 1989

J. Richard Munro's summer of siege was appropriately marked; it began on the anniversary of D-Day and ended on Bastille Day.

Those hallmarks of military history enclosed the six weeks between the day Paramount Communications announced its desire to buy Time Inc. and the day a Delaware court affirmed that Time Inc.'s executives had the right to chart the course of the company's future.

Prophetically, Munro had warned Paramount's Martin Davis that, "Hostile takeovers are a little like wars: once they start, it's impossible to tell where they may end."

The military rhetoric seems to run across the grain of an executive whose character is marked by graciousness and an even demeanor.

When tested, Munro refuses to bristle. He defused a potentially volatile situation during last summer's Time stockholders meeting by engaging critics with a masterful display of corporate aplomb.

Even when antagonists in the assembly charged that Munro was feathering his own nest at the expense of shareholders, he so stalwartly refused to answer for himself that it was left to vice chairman Gerald Levin to point out that Munro would personally profit more from Paramount's purchase of his stock than he would if Time succeeded in merging with WCI.

"It was like some medieval morality play," Munro says today of Time's tilt with Paramount.

If, through it all, he seemed so earnest about executing his vision for the company's future, Munro can rightfully claim that that vision had been outlined and articulated well in advance of the merger. Cable figures prominently in Time Warner's future; from the new megaentity has risen a 6 million-subscriber MSO, as well as a Hollywood movie studio at the disposal of Time's HBO, Cinemax and The Comedy Channel.

Yet, Munro refuses to buy into the folly of America's incontrovertible supremacy. "We'll be influential with our presence," he notes. But he'll refuse to preach. "We're not about exporting American culture."

Given the toll the past year exacted on him. Munro might be within his rights to crave a chance to prolong his moment in the sun. However, he has not wavered from his pledge to step down from his post next June at the age of 60.

"The decade ahead will be thrilling," says Munro. "But it will be time for me to do other things."

— Robert O'Brien

Delivering punch-through programming made viewers want to see what's on cable TV

By Richard Tedesco

TIMELINE: ACROSS THE DIAL

1/80: Black Entertainment Television debuts as part of USA Network's (then MSG Network) Friday night lineup.

3/80: TBS wins RCA Satcom III-R transponder for Cable News Network after RCA loses Satcom III and turned TBS' original request down. CNN gets the transponder with help from a consent order in Atlanta federal court.

4/80: Premiere pay TV channel formed by Getty Oil, Columbia Pictures, MCA, Paramount and 20th Century-Fox, with key element being nine-month film window that prevents immediate presentation on other pay networks—HBO immediately seeks antitrust injunction. MSG Network turns into USA Network as MSG establishes regional basic channel. Cablevision Systems launches SportsChannel, regional New York City pay service with 250 events per year.

6/80: CNN launches from Atlanta with less than 1.8 million homes and 300 people on staff.

8/80: Comcast, Daniels & Associates and Cablevision Systems form Rainbow Programming Enterprises—first ventures are Bravo and Escapade (action/adventure and R-rated films); Cox becomes partner later in month. Cinemax launches with 49 systems on board.

9/80: ESPN and USA Network go 24 hours. Pay TV units top eight million.

10/80: Showtime cans Showtime Plus Sports Southwest regional movies-plus-sports service after a year; gained 70,000 subs.

12/80: Rockerfeller Center and former CBS President Arthur Taylor form Radio City TV—forerunner of The Entertainment Channel. Playboy announces programming service plans. ABC Video Enterprises formed, will joint venture new networks with Warner Amex Satellite Entertainment. First project is three-hour primetime ALPHA, later to be Alpha Repertory Television Service or ARTS that piggybacks with Nickelodeon. New Year's Eve brings court ruling giving Justice Dept. injunction against Premiere, leading to venture's disbanding.

2/81: Regional sports net deals pursued in Boston and Seattle. Viacom Cable in Seattle gets five-year contract with Seattle Supersonics of NBA.

4/81: ARTS premieres. Comcast bows out of Rainbow, saying it never had a contract.

5/81: Westinghouse forms Group W Satellite Communications. National Jewish TV premieres, lasts seven years as two-hour Sunday daypart. Boston Celtics and Hartford Whalers form New England Prime Cable Network, later acquired by SportsChannel.

7/81: Showtime goes 24 hours. HBO follows two months later. Colony Communications forms MSO-wide Movie Time classic film channel. Eternal Word TV Network headed by Mother Angelica debuts.

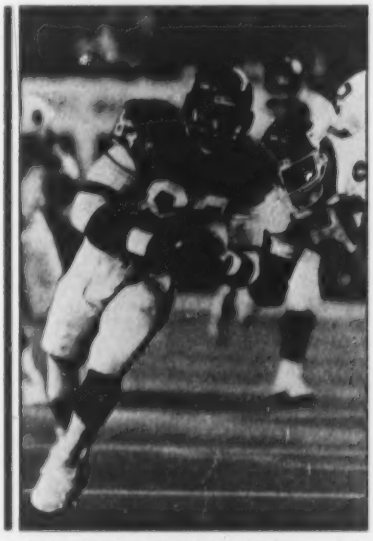
8/81: MTV premieres with video music all-the-time; first clip is *Video Killed The Radio Star*. GWSC unveils Satellite News Channels,

The 1980s were the decade when cable programming really began to hit its stride, when the promise of cable technology gave way to the delivery of differentiated, original fare rivaling the broadcast networks.

The first wave of the distinctive look that cable created for itself was typified by the launch of a music television channel in 1981. Beginning with a handful of music videos, MTV parlayed what some considered a fad to a full-blown basic network in the span of a decade.

Tom Freston, one of the few remaining MTV executives who was there at the beginning, says there were never any doubts the idea would take hold. "We knew it would be successful, but we never knew it would grow as fast as it did," he says.

The evolution of the MTV concept is also indicative of the creative directions that defined cable programming throughout the '80s. "The expansion of the format from a radio format to more of a TV format has helped us make a business," Freston observes.



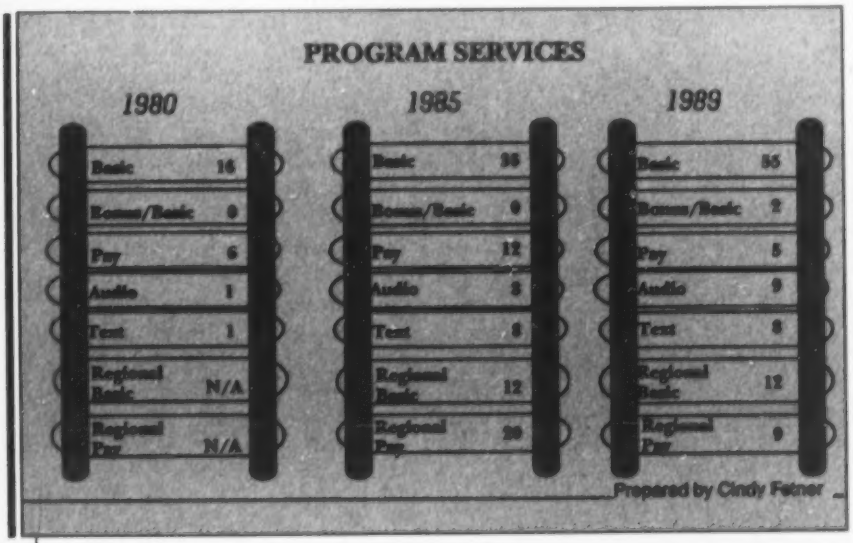
ESPN's NFL deal helped basic cable secure rights to a share of all major U.S. pro sports going into the 90's

The launch of most of the basic cable networks, in fact, marked the making of cable's niches in the '80s: Cable News Network, USA Network and Black Entertainment Television in 1980; The Weather Channel in '82; The Nashville Network in '83; Network and Lifetime in '84; The Discovery Channel in '85, and—just before the decade dawned—ESPN in '79.

It was a time when the struggle to stay on the air and develop programming required creative thinking and the support of cable operators. 1983 was the year when ESPN first initiated a per-subscriber fee that helped drive programming acquisitions. Secondary cable networks, such as The Weather Channel, soon followed suit for more fundamental reasons.

"It was survival," recalls John "Dubby" Wynne, TWC's chairman and chief executive officer. "We had determined that without that subscriber fee we wouldn't make money."

Wynne's appeal to operators came in the wake of failed ventures launched by CBS and RCA. And the



operators responded to the appeal. "That was the first one when they said, 'We'll support you'," says Wynne.

The biggest breakthroughs in a decade characterized by cooperation between programmers and operators came in 1986 when United Cable, Cox Cable and Newhouse Broadcasting, led by Tele-Communications Inc., joined backers that included Group W Satellite in bailing out The Discovery Channel.

Their infusion of capital was an affirmation of faith in quality programming that kept one of cable's brightest emerging stars alive, and spurred further vertical integration. "The impetus and primary motivation was we ran out of money," John Hendricks, Discovery's chairman and chief executive officer, recalls.

A $20 million financing package had just fallen through. But a call to TCI through Discovery's investment advisor initiated conversations between Hendricks and John Sie, TCI senior vice president, that ultimately produced the innovative deal.

So today, TDC shares the cable spotlight in documentary programming with A&E, and has progressed far ahead of its projections to reach half of all U.S. TV households by 1991. "I always knew if we could get enough money that the niche was a powerful niche," Hendricks says.

(The participation of MSOs as

plans two services—one for headlines, other for in-depth reporting and documentaries; ABC Video Enterprises joins in. Playboy forms 50/50 venture with Rainbow to turn Escapade into The Playboy Channel.

9/81: CBN shifts from all-religious to ad-supported family programming format—drops CBN moniker in 1988 to become The Family Channel. HBO announces made-for-movie plans, with *The Terry Fox Story* opening title next April. Leonard-Hearns pay-per-view fight does well.

10/81: CBS Cable launches with about three million homes.

11/81: Westinghouse and Walt Disney announce plans for The Disney Channel pay network; Group W drops out, leaving Disney on its own.

12/81: HBO makes four-year exclusive film agreement with Columbia Pictures for $50 million. United Video begins Electronic Program Guide.

1/82: CNN II (later Headline News) debuts.

2/82: TBS wins first NCAA football contract for industry, paying $17.7 million.

3/82: Hearst/ABC Video Services launches Daytime, four-hour afternoon service for women.

4/82: Canada licenses six pay TV channels.

5/82: SportsChannel New York signs 30-year contracts with N.Y. Islanders and Mets. The Weather Channel formed with *Good Morning America* weatherman John Coleman as presi-

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dent. HBO wins cable's first Peabody Award for *She's Nobody's Baby* co-production with *Ms.* magazine. Programmer shakeout talk begins. Universal allows *The Pirates Of Penzance* movie to run on PPV Dec. 25 in tandem with national theatrical release—draws flak from theater owners. Financial News Network launches on a combo subscription TV station/cable system base. Channel's cable reach increases when STV stations fold.

6/82: The Entertainment Channel and Satellite News Channel I debut. Cooney-Holmes boxing championship goes on PPV.

7/82: Cable Health Network debuts.

9/82: CBS decides to shut down CBS Cable 1/1/83, citing lower ad revenues than expected ($8 million vs. $20) and unsuccessful merger bid with Bravo.

10/82: Newsday begins LO news and alphanumeric Long Island, N.Y., channel.

11/82: Hearst/ABC begins effort to merge ARTS and Daytime. Escapade becomes Playboy. *Sophisticated Ladies* Broadway hit fails as live PPV event.

12/82: HBO co-founds Tri-Star Pictures with CBS and Coca-Cola. The Who goes on PPV.

1/83: Showtime/The Movie Channel merge under $75 million pact, transferring TMC from Warner Amex to Viacom. HBO debuts *Fraggle Rock*, long-running Muppets original.

2/83: Six pay TV services introduced in Canada—First Choice and SuperChannel/Super Ecran, HBO/Showtime-like channels, wind up as sole survivors.

3/83: The Entertainment Channel goes dark after nine months; efforts to revive it as basic service are unsuccessful and loss is estimated at between $34 and $85 million. *Pirates of Penzance* on PPV brings in 10 percent of 1.5 million PPV homes available, under Universal's 15 percent expectations. The Nashville Network begins with live six-city *Nashville Now* hookup—biggest launch to this point with six million homes. Business news hour premieres on ESPN, first *Business Times* then *Nation's Business Today*.

4/83: The Disney Channel launches. Showtime revives *The Paper Chase* on pay. QUBE Network introduced in six Warner Amex systems.

5/83: HBO runs *Terry Fox*, while Cinemax keeps *SCTV* going for one year after NBC cancellation.

6/83: Cable Health Network and Daytime merge under Hearst/ABC/Viacom Entertainment Services, forming Lifetime. GWSC announces plans to form up to six regional sports networks—only Home Team Sports makes it on Baltimore/Washington area.

7/83: Landmark Communications takes control of The Weather Channel, kicking out John Coleman and imposing per-sub fee to increase revenues. Showtime does live Diana Ross concert from Central Park; first attempt gets washed out in mid-concert.

8/83: Anheuser-Busch, Multimedia and TCI form Sports Time, 15-state regional sports network featuring baseball from St. Louis

investors in Discovery actually set the precedent for the 1987 equity deal that bailed out TBS to the tune of $576 million.)

John Sie became cable's guru of "punch-through programming" in the '80s and it was in late '86 when the major MSOs provided the muscle for ESPN to make its play for the prize of National Football League rights. "It was the only sport that had not been on cable. It was a gem," J. William Grimes, former ESPN president, observes.

It was a gem that effectively put ESPN on track to score its coup of securing Major League Baseball rights. So as the '80s ended, cable had secured a piece of each major U.S. professional sport.

In retrospect, Sie says he's not surprised that the "punch-through" concept picked up momentum as quickly as it did. "I think I felt with enough pump-priming, programmers would jump into it," he observes.

ESPN's big league successes are just part of a proliferation of sports on cable that engineered much of its growth through the '80s. Turner Broadcasting inked its first National Basketball Association pact in 1983. Ted Turner created an Olympics-scale event for cable in 1986 with the Goodwill Games, a significant factor in helping TBS land a piece of the Olympics rights it will share with CBS in '92 and '94.

SportsChannel America grabbed National Hockey League rights from ESPN last year, an indication of the competition that also characterized cable programming in the past decade.

Home Box Office made its mark in sports, too, with the heavyweight boxing elimination series that established Mike Tyson as a bonafide box-office draw. And boxing began to show the potential for pay-per-view as a delivery system that could overpower closed circuit.

It was a time when hostilities sharpened to a razor's edge between HBO and Showtime Networks, which issued the battle cry of "Exclusivity!" as its key to future success. And the decade ends with cable's premium programmers locked in hostilities over their respective comedy channel projects.

What initially seemed like cable's funniest concept, home shopping, took off in a flurry of competition with Home Shopping Network leading the way in demonstrating cable's ability to change the buying habits of American consumers.

> **'It was survival. We had determined that without that subscriber fee we wouldn't make money.'**
>
> ***— John Wynne, chairman and CEO, The Weather Channel***

But the more serious side of cable programming development shone through in the late '80s as HBO won critical acclaim for its original productions. Its *Down and Out in America* took an Academy Award and *Dear America*, a graphic look at the Vietnam War in the words of American veterans and their loved ones, won an Emmy.

Marking a role-reversal of sorts, Garry Shandling moved from Showtime to the broadcast Fox Television Network. And the innovative

programming MTV created for itself and Nickelodeon showed its strength as *Remote Control* and *Double Dare* moved into broadcast syndication, the first shows to make that migration from basic cable.

Lifetime showed its innovative flair with the acquisition of *The Days and Nights of Molly Dodd* with plans to create original new episodes now in production at the network's own studio facilities in Astoria, New York.

Movie packages that typically would have moved into syndication on independent television stations started coming to cable in the '80s, as Lifetime struck a deal for 42 films with Orion Television Entertainment for a reported $40-$50 million and USA acquired a plum of 20 movies from Touchstone Pictures for $60 million.

Along with the oft-cited CBS Cable, the industry had its share of lemons in the '80s, with HBO launching, and folding, its Festival service and NBC never launching a news service to compete with CNN.

NBC finally did get into the cable game with its Consumer News and Business Channel and HBO can claim the last basic cable launch of the decade with The Comedy Channel.

As MTV was one of the new faces that changed the cable map at the beginning of the decade, another new wrinkle in music video programming—and interactivity—started demonstrating its viability as The Video Jukebox Network rolled out in systems around the country. "The cable operator is understanding what it can be," says Andy Orgel, president of Video Jukebox.

That could serve as the testimonial for cable programming as a whole, particularly basic cable, which began to pay off in cumulative ratings and local advertising revenues for operators.

At the end of the decade, cable programming is a proven commodity. CNN has become a staple source of spot news in a genuine rivalry with the broadcast networks. ESPN is the darling of sports junkies everywhere with a reputation for quality production work typified by its NFL coverage and—lest we forget—the America's Cup. And TNT really is helping build cable's profile as the place to look for big events.

And as 1990 loomed on the horizon at the Western Show in Anaheim, John Sie was joking about an "anti-gravity snowball machine" to keep programmers striving for even bigger success stories.

"I think the best is yet to come," Sie was saying. "The more we can do original programming, the better the possibility of a blockbuster coming through." ■

Cardinals, Cincinnati Reds and Kansas City Royals; launches 4/84. ATC, Group W and TCI form Event Television, PPV joint venture; TCI drops out later.

10/83: TBS buys out SNC for $25 million, shuts it down at end of month. SNC loses $75 million for GWSC and ABC.

12/83: Showtime/TMC acquires Times Mirror's Spotlight pay channel, negotiates five-year movie exclusivity deal with Paramount.

2/84: Lifetime and Arts & Entertainment Network debut.

6/84: TBS gets NBA national cablecast rights (two years/$20 million); league has stayed with TBS since (package transferred to TNT 10/89 after runs with USA and ESPN/TBS signs four-year renewal 12/89 for $275 million).

7/84: Warner Amex Satellite Entertainment becomes MTV Networks.

9/84: Satellite Program Network introduces Star Ship Stereo audio package. MTV launches *Video Music Awards*.

10/84: American Movie Classics premieres. TBS launches Cable Music Channel, supposedly with 2.5 million homes, but actually less than 350,000 and million TVROs.

11/84: Cable Music Channel goes silent, sells assets to MTV.

1/85: VH-1 premieres. Suburban Cablevision of New Jersey's *Right To Know* documentary series wins cable's first DuPont broadcast

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journalism award. The Nostalgia Channel debuts.

3/85: Sports Time folds, assets go to FNN, which sets up Score primetime daypart. National Academy Of Cable Programming formed, chaired by Ralph Baruch. Scripps-Howard's United Media division opens TV Decisions, cabletext guide channel which becomes United Video's property few years later.

4/85: *National Geographic Explorer* begins on Nickelodeon, moves to TBS next spring.

6/85: The Discovery Channel and Home Shopping Network launch, as does Playboy's Private Ticket (later On Demand) PPV format.

7/85: MTV presents *Live Aid* concert marathon, raising $70 million for African hunger relief work.

8/85: ESPN wins NHL rights (three years/ $24 million). TBS launches Goodwill Games in Moscow. HBO celebrates 10 years on satellite.

10/85: NBC floats first cable news channel attempt.

11/85: Request TV and Viewer's Choice debut within hours of each other Thanksgiving day; dispute over who started first continues to this day. Hit Video USA begins competition with MTV, makes some cable headway but lawsuit over video clip exclusivity and losses force programmer to broadcast-only status. Network is about breakeven and may try cable again as MTV contracts reach renewal deadlines. Cinemax debuts *Max Headroom*, becomes cult talk series and short-lived ABC drama.

12/85: Cable Value Network gets off ground as first HSN competitor.

1/86: NBC scraps cable news plan after TCI nixes and 13.5 million home quota is unreachable by end of month. Modern Satellite Network, operating since 1979, shuts down when HSN acquires satellite time. CNN and Discovery Channel carry live coverage of Challenger space shuttle explosion. People's Choice PPV venture begins.

3/86: HSN begins second channel, which shortly turns from cable-exclusive to mostly broadcast; decision irks many cable affiliates and impacts network's position. HBO begins *Comic Relief* fundraisers for homeless; three editions pull in more than $10 million. SPN becomes Tempo TV. TCI takes 30 percent equity in AMC and small CVN interest; company says this marks beginning of "passive" programming service investments to be made over time.

4/86: Calls are made for "flagship" channel to match broadcast nets in ratings; nothing happens immediately. Showtime makes film exclusivity agreement with Touchstone Pictures (Disney).

6/86: C-SPAN premieres second channel highlighted by Senate coverage. Discovery Channel gets service-saving equity investments from TCI, United Cable, Cox and Newhouse. People's Choice folds.

7/86: Showtime marks 10th anniversary.

8/86: FNN launches TelShop daypart.

12/86: TBS marks 10th anniversary. Galavision begins pay-to-basic switchout.

2/87: The Travel Channel flies under TWA. QVC Network opens.

3/87: ESPN wins landmark NFL cable contract with $153 million, three-year bid funded partially by $1 affiliate surcharge.

5/87: HBO launches Festival family-oriented pay channel. Movietime premieres. HBO grabs Paramount exclusive film contract from Showtime.

8/87: NBC signals new cable intentions under President/CEO Robert Wright.

10/87: The Fashion Channel and Shop TV Network (later J.C. Penney TV Shopping Channel) premiere. Ted Turner announces plans for TNT at Atlantic Show.

11/87: USA buys off-net *Miami Vice* episodes from half-parent MCA at $200,000 a play; no syndication run.

12/87: United Video launches Prevue Guide. Event TV turns into Home Premiere TV, with TCI out and 24-hour satellite feed.

1/88: Four MSOs (TCI, UA, Newhouse, United) and Shelley Duvall form Think Entertainment.

6/88: NBC sets up CNBC as part of new division. SportsChannel America forms, acquires NHL rights for $50 million.

8/88: USA sets *World Premiere Movie* lineup (24 programs in first group with $3 million per-title budget); first title, *The Forgotten*, premieres 4/89. Lifetime revives *The Days & Nights Of Molly Dodd* after NBC fadeout, plots 13 new half-hours.

9/88: Cablevision Systems drops MSG Network, sets off public battle. Cable qualifies for Emmys; HBO wins two.

10/88: TNT launches with 17 million subs, biggest premiere universe so far. Jones Intercable drops USA from all franchises over per-sub fee raise and content criticism.

11/88: Viewer's Choice and Home Premiere TV merge. Showtime forms Event TV division for PPV specials.

12/88: NBC and Cablevision Systems form 1992 Summer Olympics PPV package. HBO cans Festival.

1/89: ESPN wins Major League Baseball package (first since USA deal ended in early '80s) for $400 million over four years; 175 games a season, starting 4/90.

4/89: Nickelodeon celebrates 10 years. New *Molly Dodd* episodes debut on Lifetime and win acclaim; 24 more segments due in 1990.

5/89: HBO sets Comedy Channel in motion. Group W buys 50 percent of Request TV ($10 million). MTV announces HA! for April 1990 premiere.

6/89: Educational in-school ventures proliferate, including *CNN Newsroom*, *A&E Classroom* and *Assignment: Discovery* (Channel).

7/89: MSG Network settles Cablevision Systems dispute. Lifetime sets 15 made-for movies...first debuts 4/90.

9/89: WGRC, broadcast-formatted local channel, begins on ATC's Rochester, N.Y., outlet; controversy erupts over use of Warner Bros. syndicated product. ESPN hits 10 years. Lifetime launches fall program acquisition binge with transfer of Group W's *This Evening* from broadcast syndication. Off-net contracts for *L.A. Law* and *Moonlighting* following later.

10/89: TBS pays $50 million for CBS-supplied package of 1992/94 Winter Olympics events on TNT. USA pays $60 million for syndication-bypassed movie package from Touchstone Pictures. TNT marks first anniversary with more than 35 million homes, NBA under wing and 17 ACE nominations on first qualifying round.

11/89: The Comedy Channel premieres with four million homes. Showtime Event TV lands PPV rights to Rolling Stones concert 12/19 for reported $6 million...clears 13.4 million addressable homes. Mizlou Sports News Network changes launch date from 11/30 to 2/1/90. Niche news becomes basic trend, as MTV, Lifetime and Nostalgia Channel offerings premiere and Hearst/ABC forms special venture.

12/89: NCAA basketball tournament booted off ESPN under new seven-year, $1 billion CBS contract. TNT contracts with Steven Spielberg for six made-for films to roll out monthly, beginning 8/91 at $2.5 to $3 million per film. Career Television Network surfaces, intends to program work/employment-oriented format 4/90...Willie Nelson's Cowboy TV Network touts spring 1990 premiere. BET caps decade by landing actor/producer Tim Reid for programming joint venture and off-net rights to *Frank's Place*.

DECADE in REVIEW

MARKETING

Basic cable's growth result of tier meltdowns

◆◆◆◆◆◆

By Larry Jaffee

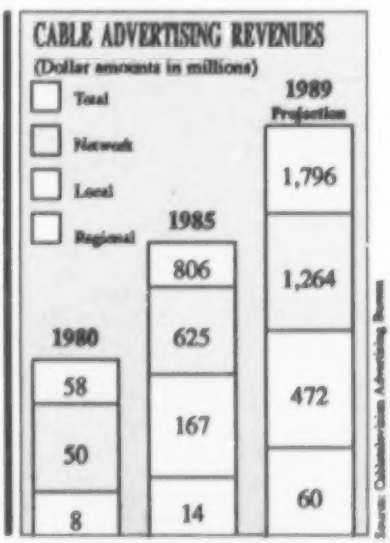
In terms of cable marketing, the past decade will surely be remembered for the pay services' multimillion dollar image advertising campaigns, HBO's seasonal timelock campaigns, an endless blitz of direct mail pieces from programmers and operators alike, the establishment of regional marketing cooperatives, and use of sophisticated geodemographic database techniques.

But perhaps the most significant cable marketing development during the 1980s actually has its roots in changing regulatory policy abetted by evolving technology—the massive "tier meltdowns" that coincided with implementation of the Cable Act in 1985 and '86.

Originally, tiers were created by cable operators as a way to get around local rate regulation by municipalities, which generally were allowed to control only the prices charged for the lowest level of basic service.

In the pre-Act days, cable operators grouped together in separate tiers programmed services that now are universally, exclusively perceived as basic-only (e.g., TBS, USA Network, MTV).

Once free of local regulators' clutches, cable operators saw breaking up the various tiers into one "basic" service as a way to demonstrate to consumers value for the dollar.



Tier meltdowns contributed to the extraordinary growth in cable advertising during the 1980s.

The switch also made cable television easier to understand for all concerned, especially CSRs, who could pitch basic cable first and then tout a choice of a la carte pay services, whose prices have been simplified in packages of the subscriber's choosing.

Indeed, the impressive penetration gains made by operators in recent years have been helped along by basic networks' significantly improved programming, which was risked on the now-proven assumption that it would attract ratings and advertising because a far wider audience could seen the programming after tier meltdown. ■

TIMELINE: SALES & ADS

2/80: Arbitron develops Cable Audience Measurement & Profile (CAMP) methodology to track local system viewership.

4/80: Eastman Cable Rep formed, one of first local cable ad rep firms.

8/80: Cabletelevision Advertising Bureau formed with $400,000 in capital.

9/80: Cable Networks Inc. formed by 3M Co., reps 500,000 subs... uses systems in and around NYC and expects to gross $1 million in revenues first year. Newly-formed Southern California Cable Club creates co-op ad campaign to publicize medium and acquire new subs. TVSM formed... launches multipay guides that eventually become *The Cable Guide* magazine.

10/80: American Home Products commits $1.5 million to CNN advertising over 11-month span. WTBS signs A.C. Nielsen deal to be first cable network rated... takes effect 2/81.

12/80: NCTA forms media services research department to help distribute programming information and promote cable ads... genesis for National Academy of Cable Programming and Council For Cable Information.

1/81: ESPN signs multi-year ad contract with Anheuser-Busch ($25 million).

2/81: Bristol-Myers signs $40 million/10-year ad pact with USA... includes production of daily *Alice And Well* health hour.

3/81: HBO launches $10 million media blitz that includes first primetime broadcast network advertising (NBC's *Hill Street Blues* was the program of record). 1980 ad revenues projected at $50 million.

6/81: ESPN, USA and other basic services start tune-in ad campaigns in selected markets.

7/81: Ad interconnects spring up in New Jersey, California and Illinois. Centel Videopath starts operations in Chicago area.

8/81: ESPN attempts affiliate compensation program, rebating $1 million over next year... program is halted when network has financial crunch, but other networks start ad rebates seven years later to win or keep affiliates... CNBC, Discovery Channel and Movietime are among advocates.

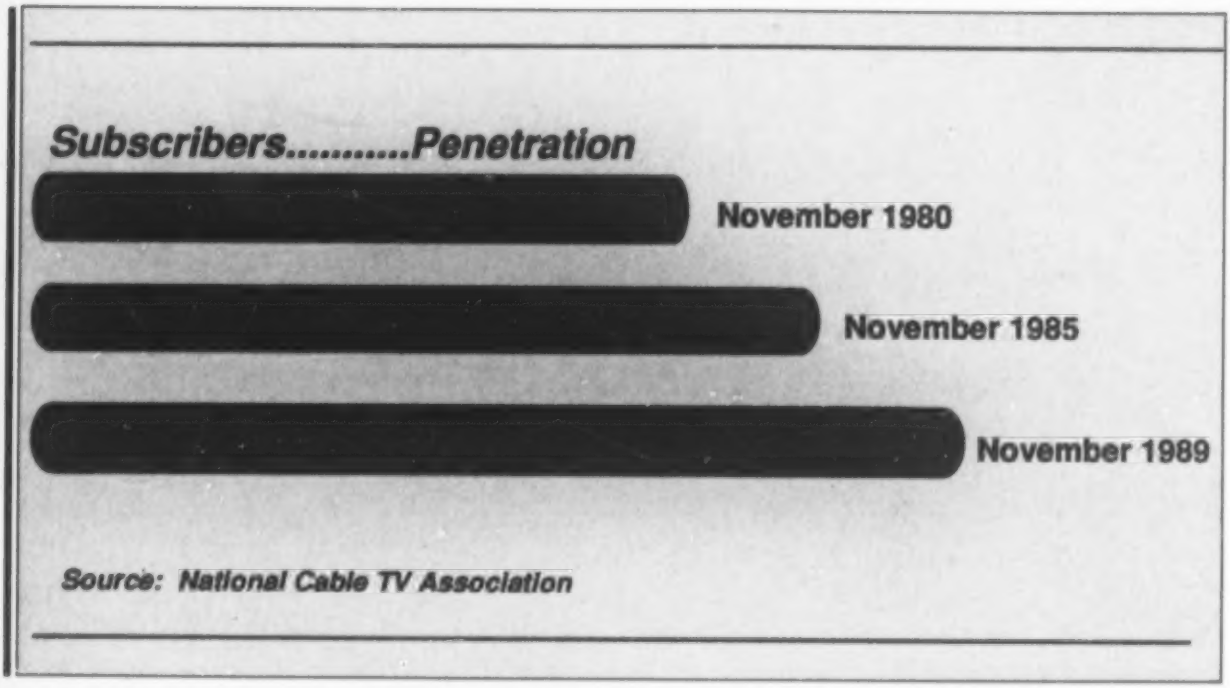
10/81: Ted Bates begins recommending to clients that a percentage of primetime broadcast network expenditures be allocated to cable, beginning with two percent on WTBS.

11/81: "Relaunching" campaigns take hold at many systems introducing pay and basic networks.

1/82: A.C. Nielsen provides HBO with overnight ratings.

2/82: $100 million in ad sales recorded for 1981; CAB holds first industry advertising conference in New York, drawing 1,300. General Foods signs 10-year USA Network ad deal.

3/82: Budweiser MTV spot breaks TV taboo of on-camera beer guzzling. Subscriber retention campaigns introduced by HBO and



Showtime.

6/82: Arbitron's Broadcast Advertiser Reports starts monitoring ad revenues of TBS, CNN, ESPN and USA ($31.2 million for first quarter 1982)... MTV and Family Channel added later. TCI puts together MSO-wide basic/pay packages with genre slots.

7/82: Cable AdNet launches in Philadelphia, organized with help of Lenfest Group. Retention marketing becomes major operator focus at CTAM conference.

8/82: Time Inc. rolls out *TV-Cable Week*.

10/82: New sub acquisition trend—telemarketing—begins at several major systems.

12/82: Cox Cable and Warburg, Pincus buy minority *On Cable* magazine investments.

1/83: Cable penetrates 30 percent of U.S. homes, about 25 million subs.

5/83: Lifetime brings perscription drug advertising to TV on its Sunday medical programs; MTV implements per-sub fee and introduces ads on Nickelodeon.

6/83: Council for Cable Information formed to prop up industry's image through TV campaigns and other MSO-funded projects.

9/83: Time Inc. pulls plug on *TV-Cable Week* after only 19 systems sign up. Eastman Cable Rep folds.

11/83: CAB uses Albert Einstein as "pitchman" for first trade ad, changing E = mc2 to "Effectiveness Equals More Cable."

5/84: Tele-Engineering Inc. and other firms begin offering advertising insertion hardware. Cox buys *On Cable*.

6/84: Rainbow tries dual marketing of AMC and Bravo under "Rainbow Service" bundle.

8/84: CCI breaks $6 million "Cable: not just more choice, your choice" drive, prepared by McCann Erickson.

9/84: TVSM merges *The Cable Guide* and *Cable Today*.

10/84: TCI runs successful "Cable is Choice TV" campaign MSO-wide.

3/85: Ted Bates raises ad-supported cable use to 10 percent of broadcast spending. Cable enters year with 44.6 percent penetration (38.1 million homes).

4/85: Southern California operators form marketing council to conduct promotions. HBO reports sub count dropping 5.5 percent for first quarter, indicating slowing pay market.

8/85: ATC and Daniels create media "tune-in" kits for their franchises.

9/85: Cox pulls funding from *On Cable*, magazine terminates 12/85 after Cox teams with *The Cable Guide*.

10/85: Cable Promotion Network, developed out of Comcast systems, becomes first supplier of cross-channel promotion spots. Venture tries to launch 24-hour Preview Channel in 1986, but is unsuccessful in wake of Movietime. CCI appears set to premiere $12.4 million "Discover Yourself" media spree, but a few weeks later TCI and other MSOs end CCI support and enterprise disbands.

11/85: Anheuser-Busch extends ESPN contract through 1990 (worth $30-$40 million, up from $25 million).

3/86: NuMedia (later NuCable Resources) introduces Cable Ad Channel System, utilizing digital photoadvertising technology for classified ad programming and other operator uses.

7/86: Channel positioning becomes new industry trend, after studies show that basic nets do better on lower TV dial placement. ESPN cuts per-sub fee for affiliates who compiy and ATC and Daniels shift channel lineups... NAB and INTV are upset, threaten legislative reaction. CAB launches monthly program tune-in service.

9/86: National Cable Month plans announced, under National Academy Of Cable Programming supervision.

10/86: CTAM begins quarterly subscriber database reporting through A.C. Nielsen.

1/87: Tier meltdown period begins as operators gear up for full rate deregulation.

7/87: Nielsen introduces people meters, showing less broadcast, more cable viewership.

8/87: Cable surpasses 50 percent penetration of U.S. TV homes.

11/87: NuCable and Starnet announce separate cross-channel promo feeds, operating full time. Both parties join forces under NuStar banner in '88, but NuCable bows out following year. TCI, The Weather Channel and Cable Video Entertainment plot out Prime Time Tonight, own cross-channel venture.

12/87: Cable tops $1 billion total ad sales mark for year, first time ever (actual tote: $1.1 billion).

2/89: TV Host buys Cosmo Graphics

4/89: CAB estimates 1989 will draw nearly $2 billion in total ad revenues... $1.5 billion national/$472 million local.

7/89: CTAM forms PPV division to lift operator participation in market.

9/89: TCI announces various outreach efforts, covering customer service and cable education.

TIMELINE: TECHNOLOGY

3/80: C-Cor Electronics puts 400 MHz equipment on the market.

4/80: Warner Amex launches QUBE home security component in 700 Columbus, Ohio, households for $10 a month.

5/80: Jerrold and other suppliers unveil 400 MHz converters, trunk and other products. Cox and HomServ announce pilot home banking project.

7/80: Zenith offers TV with built-in "Space Phone" telephone. First 400 MHz cable system begins operations 7/17 in Orlando Park, Ill.—Cox franchise.

1/81: Warner unveils information retrieval system developed for Columbus with Atari and CompuServe.

2/81: Times Mirror and Dow Jones announce plans for videotex service development.

3/81: Zenith develops 54-channel addressable converters.

6/81: PlayCable, joint venture among Mattel and Jerrold, goes national. NABU surfaces as Ottawa manufacturer of two-way addressable converters linked with computer terminals.

7/81: Times Fiber introduces "Mini-Hub" fiber configurations. CompuServe pitches INFOChannel two-way interactive cable services... no response.

10/81: QUBE is panned in various newspapers. Texscan gets into addressable market with TRACS system.

11/81: Rogers Cable TV opens Minneapolis suburban system with $21 million in interactive Zenith Z-TAC equipment.

1/82: Times Mirror uses Telidon videotex format for Gateway, Southern California cable trial.

2/82: Indax consumer information service spreads to other Cox test markets.

3/82: HBO begins signal scrambling effort to thwart TVROs and signal pirates. Pioneer introduces one-way addressable converters.

4/82: J. Walter Thompson and Adams-Russell launch "Cable Shop" interactive infomercial channel in Peabody, Mass., and other systems. National rollout effort is rejected and project disbands later. Viacom activates 108-channel dual cable system in suburban Milwaukee.

5/82: Centel, Field Enterprises and Honeywell float $21 million videotex/teletext service for Chicago area... nothing happens.

8/82: Oak cancels Total Control-56 addressable converter orders, citing dollar slump. General Instrument's DBS project, United Satellite TV, goes forward.

12/82: Times Fiber wins $8 million construction contract for fiber optic Alameda, Calif., build. General Electric unveils Comband bandwidth compression system, offering potential to double channel capacity.

1/83: M/A-Com wins HBO contract for encryption equipment.

4/83: FCC approves cable operator stripping

DECADE in REVIEW

OPERATIONS

Striking a social bargain reflecting cable's diversity

By Craig Kuhl

Before passage of the 1984 Cable Act, state Assemblywoman Gwen Moore told the California Cable Television Association that what the Act needed most was a section on minority hiring and that the EEO charter must be included if the cable industry was to be considered a good corporate citizen now and in the future.

As the '80s progressed, that resolve brought both encouragement and frustration to people of color and women, who have seen their fortunes, and futures, stalled at various times along the way by a subtle, lingering negligence within the industry in hiring and promoting minorities and women, and at times a lack of genuine interest in the true spirit of affirmative action, as embedded in the Cable Act.

> **'Cable is a big industry and there are still too few minorities being placed. If you lift the veil, you'll find the industry doesn't reflect the diversity of programming or its subscriber base.'**
>
> *— Charles Ward, Reiss Media Enterprises studio relations vice president*

The social conscience of the cable industry in the '80s was spirited forward by the passage of the Cable Act and its statutory commitment to affirmative action, which reflected an industry's willingness to take responsibility in insuring a nondiscriminatory future for its enthusiastic new employees, who were catching a rising star called cable.

Rep. Mickey Leland, who recently died in an airplane crash in Africa, is generally considered the driving force behind the inclusion of the EEO section of the Cable Act, which was rooted in California and designed to make the cable industry a role model for affirmative action.

Howard Symons, senior counsel to the House Telecommunications Subcommittee in 1983 and now a Washington attorney, recalls that "the employment of minorities was to reflect the diversity of cable programming. It was a must, and Leland made it clear it *would* be in the Cable Act. My overall impression is that the industry has lived up to it."

Others, however, aren't so sure. Says Michelle Mitchell of the Walter Kaitz Foundation: "Our placements are down to 15 in 1989 from 23 in '88."

The foundation, clearly a bright star in the cable industry during the '80s has placed 73 fellows since its inception in 1983 and has remained a guiding light for people of color during the decade. Charles Ward, vice president of studio relations for Reiss Media and one of the foundation's first fellows, said "I benefited

from the foundation, but cable is a big industry and there are still too few minorities being placed. If you lift the veil, you'll find the industry doesn't reflect the diversity of programming or its subscriber base."

NAMIC Chairperson Janet Long laments, "We've made great progress in positioning ourselves to do good work. We may not be visible to the public yet, but our newsletters, new programs and urban market seminars have helped. They're simple things, but in an organization that hasn't had the benefit of lots of money, we've done well."

At the system level, operators found that being socially responsible in their communities was not only good citizenry but a prudent business decision. Continental Cablevision was one of the first to recognize this and impacted an entire industry during the '80s with its "high touch" approach to community awareness, which in reality began when the company was founded in the mid-60s.

For most minorities and women in cable, the '80s proved to be a paradox, with the industry claiming it has lived up to its Cable Act responsibilities, while minorities, women and the FCC continue to call for a greater spirit of understanding and affirmative action. ■

of broadcast teletext services on their vertical blanking intervals; Tele-Communications Inc. launches MSO-wide addressability center, serving 400 locations.

6/83: Texscan, Jerrold and other companies start development of 500 and 550 MHz gear. AM Cable TV Industries brings out Tier Guard out-of-home addressable system. Times Fiber/Tocom connect for two-way hardware venture.

7/83: Warner Amex opens negotiations with telcos to deliver less expensive interactive/transactional services... talks go nowhere. Hughes Communications launches Galaxy I.

8/83: Pico and C-Cor float on-premise equipment (SCAT at C-Cor; OTAS, or Outdoor Terminal Addressable System, at Pico).

9/83: Times Fiber/Tocom project suspended.

10/83: United Satellite Communications premieres five-channel DBS service.

11/83: Time Inc. cans teletext project after two years of development and in-house tests.

12/83: Oak Industries unveils Sigma addressable converter line. Times Fiber introduces second-generation "Mini-Hub" system. ABC Video Enterprises sets date for Tele1st, over-the-air Chicago pay-per-view service using VCRs.

1/84: New York Times Cable begins rollout of Sprucer II, two-way addressable converter made by Matshusita. Warner Amex kills QUBE for all but pay-per-view Viewer's Choice service in all markets.

2/84: Texscan develops problems with TRACS converters, leading to switchouts in Montgomery County, Md., and elsewhere. PlayCable shuts down.

3/84: New York City authorities permit single-cable rather than dual-cable newbuilds.

4/84: TCI acquires Pittsburgh system from Warner Amex at $93.4 million, then throws out QUBE and reduces channel capacity.

6/84: ABC kills Tele1st after five-month Chicago test gets 4,000 subs.

7/84: Group W Cable opens Request Teletext service in Buena Park, Calif. Eventually folds.

9/84: Cox drops out of proposed videotext/interactive cable venture with Chase Manhattan Bank and Jerrold.

11/84: Scientific-Atlanta breaks B-MAC scrambling system to compete against M/A-Com's VideoCipher model.

4/85: Pioneer Communications introduces BA-5000 one-way addressable converter line and secures $50 million in advance orders; TCI and McGraw Hill launch X*Press Information Services.

6/85: Zenith creates Phonevision PPV decoders and automatic number identification (ANI) system.

7/85: Hearst Cable in California is poised to test two-way Packet Cable high-speed interactive distribution system, with a variety of possible applications... Amoco is principal funder. NuMedia Corp., formed by NCTA President Tom Wheeler, comes together to market new technologies to industry.

11/85: Amoco pulls out of Packet Cable.

12/85: Copley Press/Colony-owned Cypress, Calif., system becomes first 600 MHz outlet in nation, using Magnavox CATV's Integrated Subscriber/Institutional (ISIS) hardware. HBO and RCA form joint venture to market Ku-band satellite (Crimson Satellite Associates). Cox ends CommLine data experiment in Omaha.

1/86: HBO begins full-time scrambling using M/A-Com's VideoCipher II technology.

3/86: Jerrold comes out with Starcom converters (66-channel/450 MHz) and launches Cable Video Store.

10/86: Scientific-Atlanta develops subscriber interface unit for TCI's use off-premises.

4/87: D.C. Circuit U.S. Court of Appeals rules that FCC improperly pre-empted local government rights to set technical standards for cable systems.

5/87: GTE outlines Cerritos, Calif., fiber/coax cable testbed for advanced services and video on demand; CableData rolls out Quick Data, on-line billing MIS system. ATC begins exploration of hybrid fiber/coax backbone topology to increase channel capacity and signal quality.

2/88: Newhouse invests in Video Jukebox Network, interactive cable service originating from Miami. Telaction, J.C. Penney electronic home shopping basic service, enters Chicago trial.

5/88: Cable Labs, MSO-funded research and development venture, is formed.

8/88: Bell Atlantic and Helicon Cable join forces for fiber-to-the-home trial in Perryopolis, Pa.

9/88: General Instrument forms Applied Media Lab to research new projects; makes fiber co-ventures with Corning and Ortel, and turns wholly-owned CommScope subsidiary into a co-partnership with Alcatel. Anixter unveils AM Laser Link system with AT&T. GTE begins Main Street interactive service trial in Newton, Mass. (Continental franchise).

11/88: Scientific-Atlanta develops AM fiber gear and off-premises addressable system. TCI makes fiber commitment to Anixter's Link products.

12/88: Jones Intercable Engineering Vice President Bob Luff urges industry to develop 750 MHz and 1 GHz gear to tap high-definition TV, transaction and other advanced services unfolding in 1990s.

2/89: Jones unveils Cable Area Network fiber optic rebuild plans; Augusta, Ga., and Broward County, Fla., are first sites, with Turnersville, N.J., coming on line in summer.

4/89: TCI unveils 10-year plan for enhanced TV development, while calling for first digital-processed HDTV by 2000. Telaction shuts down in Chicago, with J.C. Penney losing $106 million on enterprise. Jerrold forms Cableoptics unit; Texscan and Anixter form alliance to produce high-bandwidth hardware, starting with 1 GHz "Pathfinder Plus" fiber optic platform.

5/89: TCI and other MSOs back SuperNTSC advanced TV venture from Faroudja Labs. Catel Telecommunications and Reliance Comm/Tec Corp. undertake joint venture for fiber-to-the-home system development... field trials were planned for late '89.

9/89: TCI makes 250,000 module deal with Jerrold's on-premise Starport system.

DECADE In REVIEW

POLICY

The nexus between deregulation and improved cable programming

By Lisa Stein

It was the best of times, it was the worst of times for cable during the 1980s.

Early in the decade the industry scored a major coup when Congress freed it from local economic shackles, allowing it to blossom into a full-fledged video competitor.

But as the 1980s ended, the one-time congressional media sweetheart found itself the target of fierce efforts to reregulate it in the face of criticism that it had badly abused its regulatory freedom.

Without question, the most significant policy change for cable in the decade was passage of the Cable Act, which rescinded local government authority to regulate rates except in communities in which there were not at least three broadcast signals. As a veteran media watcher put it, the 1984 law "enabled the cable industry to grow like hell," spawning innovative programming and giving cable systems an opportunity to bid more competitively for lucrative fare such as popular sports events.

"There has been a direct nexus between cable deregulation and improved cable programming. I think it's generally admitted today... that cable is real TV, no longer amateur hour TV," says James Mooney, president of the National Cable Television Association. "This has been a direct function of more money being put into programming," he added, noting that a poll conducted in early 1989 showed that Americans now consider cable programming, other than news, to be better than shows on conventional TV.

'Cable is real TV, no longer amateur hour TV,' says NCTA President James Mooney

According to Mooney, cable companies dramatically increased their investment in programming after passage of the Cable Act, spending nearly a billion dollars in 1989 compared to $300 million five years earlier. He notes that subscribers today receive an average of 32 channels on their cable systems compared to 27 channels in 1986 for about 46 cents a channel, a mere two cents more than they paid three years ago.

"The freedom that the Act gave the industry has led directly to the wide range of programming that people now identify with cable tele-

TIMELINE: POLICY

2/80: House subcommittee holds hearings on ownership concentration. FCC denies waiver of telco/cable cross-ownership rules for Sugar Land Telephone (Texas) and dismisses company's cable system application within its service area (Houston suburbs).

3/80: FCC cans attempt to limit foreign ownership of U.S. cable systems.

4/80: FCC votes 5-2 for AT&T deregulation; "Computer II" decision is reached and commission declares that cable systems are not required to carry local STV signals.

7/80: FCC eliminates syndex and distant signal rules in 4-3 vote.

8/80: House turns back 1980 Telecommunications Act amendment characterizing cable operators as common carriers. Justice Department files civil suit against Premiere.

9/80: Turner Broadcasting files FCC petition to abolish must-carry rules. House Judiciary Committee kills 1934 Communications Act revision plan. FCC authorizes creation of low-power TV stations.

3/81: Texas court denies Southwestern Bell right to go forward with Electronic Information Services trial.

5/81: U.S. Court of Appeals affirms FCC's jurisdiction over pole attachment regulations.

7/81: FCC allows CBS waiver to own cable systems up to 90,000 subs. CBS gets Blackhawk Cable, test franchise in Dallas area, but loses Alameda, Calif., bid to United Cable.

11/81: NCTA works out copyright agreement with MPAA and NAB. Utah district court repeals indecent material ban after HBO and four state operators bring lawsuit.

12/81: NCTA finds itself at odds with Turner and CATA over copyright compromise.

1/82: Justice Dept. allows divestiture of AT&T and formation of Baby Bells, ending Justice's eight-year lawsuit against AT&T.

3/82: Sen. Barry Goldwater (R-Ariz.) introduces Cable Telecommunications Act of 1982.

4/82: House Judiciary Committee passes H.R. 5499, revamped cable copyright bill.

7/82: U.S. Supreme Court rules 6-3 that states cannot force landlords to permit cable installations unless compensated for property use (Loretto case).

8/82: FCC approves satellite transponder sales. U.S. District Court Judge Harold Greene upholds AT&T divestiture decision and electronic publishing ban through 1990.

10/82: FCC approves Comsat's DBS petition. House approves cable copyright bill, H.R. 5499, by 347-53 vote.

12/82: 3.25 percent copyright rate for distant signals proposed by Copyright Royalty Tribunal threatens cable copyright bill; rate hike takes effect 3/15/83, forcing some distant signals out and increases penetration for many basic networks.

2/83: Sen. Goldwater reintroduces cable

vision," says Howard Symons, a Washington, D.C., attorney who as senior counsel to the House telecommunications subcommittee from 1981 to 1985 played a key role in crafting the Cable Act. "Fifteen years ago cable was a few pay movie services and distant signal retransmissions. Today cable is original programming and a real alternative to the dominance of the three television networks. The Act gave the industry the stability and the revenues necessary to develop programming."

But while cable representatives insist that cable TV is a great bargain for consumers, the industry increasingly has been drawing fire on Capitol Hill for rate hikes and customer service. And almost as quickly as it rose, cable has fallen from grace in Congress.

Some, like Symons, say cable TV was a victim of its own success. But many congressional and cable sources say that in its haste to grow up, the industry carelessly ignored the needs of the very people nurturing its development: subscribers. "The industry spent a lot of money to rapidly expand the range of product available to the public, but did not pay enough attention to bringing along the quality of customer service," admits a cable source, insisting that the industry, under pressure from Congress, now is trying to make up for its missteps by beefing up customer service.

"There is no doubt that benefits flowed to consumers (as a result of the Cable Act), but it was at a substantial cost," says a top aide to Rep. John Dingell, D-Mich., chairman of the House Energy and Commerce Committee. "The rate increases (imposed after passage of the law) enabled cable operators to extract more money to create and buy programming, but it was at too high a price to subscribers."

NCTA's Mooney acknowledges that in some cases rates soared while customer service plummeted. And he and other cable operators, like TCI's John Malone, admit that there were abuses in the aftermath of deregulation, most notably by speculators out to make a quick buck, who flipped systems at incredibly high prices that translated into often dramatic rate increases for unsuspecting customers.

But they say that on the whole the industry has acted responsibly, predicting that rates will level off now that operators have been able to recover from pre-Cable Act days when city officials artificially suppressed rates.

Even cable TV detractors admit that the Cable Act was needed to give the industry a shot at competing with its powerful older broadcasting rival and, as Symons says, that "there would have been far less diversity of programming" had the law never been passed.

But the tables have turned since the early days of the decade, when Congress and the Federal Communications Commission were adamant that cable should be deregulated.

"We cannot turn a deaf ear to constituents," Sen. Daniel Inouye, D-Hawaii, chairman of the Senate communications subcommittee, said during a fiery hearing on cable issues, warning that the Senate would pass some sort of reregulatory legislation as early as this year.

"In the '90s we are going to see cable reregulated and it is their own fault," said a long-time media watcher. Agreed the Dingell aide: "It is becoming clear that some of what the industry got in the Cable Act will be taken back. It is just a question of what." ■

policy bill, S. 2176 (later S. 66).

3/83: CNN files antitrust suit against Satellite News Channels, charging monopolistic affiliate contracts; SNC countersues.

5/83: Nebraska Public Utility Commission rules Cox Cable is common carrier for supplying voice and data transmission services through its Indax and Commline ventures. FCC approves two-degree satellite spacing plan.

6/83: Senate passes S. 66, 87-9.

10/83: House begins its cable bill debate (H.R. 4103).

6/84: NCTA and National League of Cities reach accord on cable deregulation tied to H.R. 4103.

7/84: U.S. Supreme Court rejects Oklahoma rule that required operators to delete wine commercials from networks and distant signals. Seen as first amendment victory. Also, court voids NCAA college football contracts with networks as trade restraint, opening new market for games and conferences. **Result:** more games and more cable games. FCC quashes pole attachment ruling by Wisconsin Electric.

10/84: Congress passes cable deregulation bill. California legislature's pole attachment regulation is vetoed by Gov. George Deukmejian.

11/84: President Reagan signs Cable Act (S.66/H.R. 4103). FCC rejects Pacific Bell application to build Palo Alto, Calif., cable system.

12/84: NCTA joins MPAA and CATA in creating Coalition Opposing Signal Theft (COST), anti-piracy advocate group; later, NCTA establishes own signal theft office.

3/85: Pole attachment fights continue in several states; industry wins in New Hampshire. Preferred ruling from U.S. Court of Appeals says Los Angeles' franchising process violates operators' first amendment rights. FCC reaffirms Nevada decision, giving operators right to restructure basic service as long as must-carry channels are included.

4/85: FCC sets effective competition standards for cable at three or more unduplicated signals in a market.

7/85: U.S. Appeals Court declares must-carry rules unconstitutional in Quincy case; FCC votes 3-1 not to appeal. Decision forces broadcasters to seek repeal of compulsory license.

8/85: Sen. Albert Gore (D.-Tenn) offers scrambling bill, out to prevent anticompetitive tactics.

9/85: FCC adopts EEO rules set down in Cable Act.

10/85: U.S. Court of Appeals calls 1978 Pole Attachment Act unconstitutional; act gives FCC authority (under Congress) to set rates and conditions for cable TV pole use.

3/86: NCTA and NAB appear to strike must-carry compromise; NCTA and MPAA

break off copyright compromise talks over compulsory license issue.

6/86: U.S. Supreme Court rules that cable is first amendment player and refuses to review lower-court Quincy must-carry decision.

10/86: Congress rejects scrambling bill by Gore, 54-44, which would have required service distribution through third-party packages.

12/86: California U.S. District Court finds that Palo Alto was unconstitutional in awarding one cable franchise for city. FCC imposes must-carry rule stay.

2/87: Dennis Patrick becomes FCC Chairman, kicks off term by opening possibility of syndex reimposition.

3/87: U.S. Supreme Court reverses Court of Appeals' pole attachment decision, giving authority back to FCC.

4/87: Erie case has U.S. District Court saying that franchise fees in excess of a city's costs of regulation do not violate cable's first amendment rights.

7/87: FCC begins cable/telco cross-ownership inquiry.

9/87: Judge Harold Greene slightly modifies Modified Final Judgment, rules RBOCs can provide information services pipeline to home, but can't program services.

12/87: Must-carry rules thrown out again by U.S. Court of Appeals.

4/88: FCC approves GTE/Apollo Cablevision system testbed in Cerritos, Calif.

5/88: FCC reinstates syndicated exclusivity rules, now taking effect 1/1/90.

6/88: FCC proposes lifting of cable/telco cross-ownership ban.

9/88: Another anti-scrambling bill from Sen. Gore is defeated in Senate, 43-36.

2/89: FCC fines Prime Cable's corporate office in Texas for EEO violations.

3/89: Congress and Bush Administration begin HDTV funding examination.

4/89: Sen. Howard Metzenbaum (D.-Ohio) introduces cable reregulation bills; seven months later, Sen. John Danforth (R.-Mo.) brings his reregulation proposal.

8/89: General Accounting Office cable rate study finds systems increased basic rates 29 percent from 12/86 to 12/88.

TIMELINE: PEOPLE

1/80: Spencer Kaitz succeeds late father Walter Kaitz as California Cable TV Association executive secretary.

7/80: Viacom Cable President Chris Derick joins Premiere as president and COO.

12/80: Steve Simmons leaves Carter White House to become senior vice president at Douglas Communications, later forms own MSO, Simmons Communications, which finishes the '80s with more than 300,000 homes; Trygve Myhren succeeds Monroe Rifkin as ATC president, with Rifkin becoming chairman.

2/81: Robert Alter becomes president of Cabletelevision Advertising Bureau.

3/81: Reagan names Mark Fowler FCC chairman.

4/81: Jeffrey Reiss leaves Viacom to form Reiss Media Enterprises, which helps create Cable Health Network and Request TV; John Saeman becomes Daniels & Associates vice chairman.

10/81: Bill Grimes joins ESPN as executive vice president and COO, later becomes president.

Trygve Myhren (top) and Gustave Hauser

3/82: ATC Chairman Monroe Rifkin hooks up with oilman Marvin Davis to pursue various opportunities, then forms Rifkin & Associates MSO.

4/82: NAB names Edward Fritts president.

11/82: Dean Waite joins CTAM as first executive director.

12/82: Gustave Hauser resigns from Warner Amex chairmanship and eventually forms his own MSO, Hauser Communications.

1/83: Drew Lewis arrives as Warner Amex chairman, following transportation secretary run under Reagan.

4/83: Eastman Cable Rep founder Carl Weinstein dies of heart attack at CAB conference. Frank Cardamone, 23-year-old Pa. man, achieves notirety as "HBO Kid," leader of one of the largest theft-of-service rings ever nabbed—got nickname because of license plates on his Corvette.

8/83: Frank Biondi becomes HBO president, beating out Michael Fuchs and Tony Cox.

12/83: Bill Bresnan leaves chairman's role at Group W Cable; forms Bresnan Communications.

1/84: John Sie leaves Showtime/The Movie Channel for TCI as senior vice president.

5/84: Tom Wheeler leaves NCTA presidency NABU and Jim Mooney moves in.

6/84: Preston Padden takes INTV president's position.

7/84: Walter Kaitz Foundation formed to promote minority employment opportunities within industry—dinner two months later becomes annual tradition, with Tom Wheeler first honoree. Bob Rosencranz fired from UA-Columbia and eventually forms Columbia International, yet another new MSO.

10/84: Michael Fuchs takes the chairman's ring at HBO when Frank Biondi exits for Coca-Cola.

6/85: John Cooke succeeds Jim Jimirro as Disney Channel president.

9/85: TCI co-founder Betsy Magness, 61, dies of a heart attack at Frankfurt Airport in West Germany.

9/86: James Gray elevated to president of Warner Cable, succeeding Drew Lewis, who moves on to Union Pacific railroad.

1/87: Bob Pittman leaves MTV to create Quantum Media.

5/87: CableData Founder/Chairman Bob Matthews, 49, dies from prostate cancer. Wife Susan takes over and establishes prostate cancer foundation in his memory.

8/87: Tony Cox becomes Showtime Networks chairman and CEO.

12/87: Margaret Durborow appointed CTAM president, first in organization's history.

6/88: Trygve Myhren leaves ATC when corporate headquarters moves from Denver to Stamford, Conn. Forms new company for system investment and other ventures.

8/88: Bill Grimes exits ESPN for Univision; Roger Werner moves back to ESPN from ABC as president.

11/88: Sammons Communications founder Charles Sammons, 90, dies.

7/89: Women In Cable marks 10 years in forefront of pushing women's role in the business.

8/89: Dennis Patrick steps down from FCC chairmanship, replaced by Alfred Sikes. Rep. Mickey Leland (D.-Texas), a key 1984 Cable Act supporter, dies in a plane crash near a refugee camp in Ethopia.

11/89: George Barco, 82, Pa. cable system/local programming pioneer and veteran NCTA board member, dies of a heart attack.

DECADE in REVIEW

MONEY

KKR's Storer buyout validated viability of cable as asset play

By Robert O'Brien

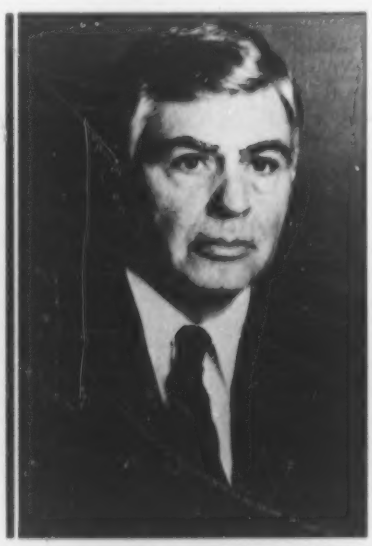
According to the experts, the most significant financial event of the decade: a) didn't happen in the '80s (Home Box Office's move to satellite delivery in 1975); b) didn't happen yet (escalation of system values to the $3,000-per-subscriber level); c) didn't involve finance (passage of the Cable Act and the end of rate regulation); or, d) won't take effect until the '90s (Time Inc.'s merger with Warner Communications Inc.)

But what did happen came halfway through a decade that would take the business from its adolescence as a pimply-faced stepchild of the broadcasting industry, whose signals it retransmitted, through its maturation into a vigorous competitor in a fully realized video marketplace. Cable found itself both the target and the beneficiary of interest from outside the industry.

In the spring of 1985, Storer Communications eschewed all other bids for its extensive media holdings, and agreed to sell its assets, including its cable systems, to LBO specialists Kohlberg Kravis Roberts.

The KKR purchase, with a cable component valued at $1.6 billion, marked the single largest deal to date in the industry's history. Coming two years after the KKR buyout of Wometco Enterprises, the Storer deal also helped to validate the viability of cable as an asset play.

That distinction, though dubious given the political consequences of trafficking initiatives, helped affirm cable's position in a bustling media marketplace. As the values of television properties — particularly independent stations hit hard by the reversal of the syndication marketplace— declined, cable values appreciated.



When Peter Storer embraced KKR, it was the largest deal to date in cable

The number of system transactions rose appreciably. In 1985, 5.4 million cable subscribers changed hands, more than twice the number of subscribers that had been sold in 1984.

And prices rose to keep pace with the market's demand. In 1984, cable systems traded for just over $1,000 per subscriber. By 1986, that figure stood at $1,350; a year later, it rose to $1,700. By 1988, cable systems traded at an average of over $2,000

TIMELINE: DEALS

3/80: Irving Kahn sells Aubodon Electronics/Cable Systems Inc. to NYT Cable for $100 million...deal is first where a system buyer accepted earnings estimates further than one year out. Tom Dowden forms MSO Dowden Communications out of Atlanta.

4/80: GE and Cox call off merger.

5/80: Hearst Corp. becomes cable operator in California.

7/80: Capital Cities Cable buys Cablecom General from RKO for $139.2 million. Cablevision Systems pacts with Bedford-Stuyvesant Restoration Corp. to develop cable TV in Brooklyn.

8/80: Warner Amex turns on Cincinnati suburbs with QUBE capability.

10/80: Westinghouse and Teleprompter merge under $636 million deal.

11/80: Dallas city council awards franchise to Warner Amex...dual 440 MHz system planned. Warner wins Cincinnati franchise later in month under same franchise conditions. Oak Industries tries cable system field by acquiring Oxnard, Calif., system (later transferred to Jones Intercable).

12/80: Time Inc. purchases Austin, Tex., system with 90,000 subs at time from Home Theater Inc. Cox wins New Orleans franchise, budgets $54.4 million for 84-channel enterprise.

1/81: Warner Amex launches Pittsburgh system with 80 subs. Prime Cable buys International Cable in Buffalo, N.Y. TCI and Taft Broadcasting form MSO and programming joint ventures. United Cable files $55 million public offering.

2/81: ATC wins Indianapolis franchise.

3/81: Newhouse buys Vision Cable for $175 million. General Cable acquires Penn Central for $700 million. Sammons wins Fort Worth, Tex., franchise.

6/81: Time Inc. buys six transponders on Hughes' Galaxy I satellite. *NBC Magazine with David Brinkley* does infamous cable franchising report, concentrating on rent-a-citizen tactics. UA-Columbia merges with joint UA Theaters-Rogers Cablesystems venture for $265 million. Rogers wins Southeast Los Angeles franchise.

7/81: Americable wins Miami franchise, which later will be taken over by TCI when Americable runs into customer service problems.

8/81: Cablevision Systems wins Boston franchise.

9/81: Time buys UA-Columbia's 50 percent share of USA Network for $15 million.

10/81: Dow Jones buys 25 percent of Continental Cablevision for $80 million. MCA chops one-third of USA at $30 million.

11/81: RCA auctions off seven Satcom IV transponders to a number of firms for $90.1 million...winners are Warner Amex Satellite, HBO, UTV, Billy Batts, Transponder Leasing Co. and The Entertainment Channel...Batts paid $14.1 million/HBO $12.5 million. Viacom

joins with Dr. Art Ulene on Cable Health Network ownership.

12/81: Long franchising battle in NYC outer boroughs begins when city's Board of Estimate targets six firms for preliminary negotiations. TCI launches TKR Cable joint venture with Knight-Ridder.

3/82: Mile Hi Cablevision joint venture of ATC/Daniels wins Denver franchise.

6/82: Warner Amex gets Milwaukee franchise.

8/82: Fairfax County, Va., franchise goes to Media General, which plots 120-channel system.

1/83: Chicago picks Cablevision Systems, Continental and Chicago Cable Corp. as city franchise winners. CV Systems and Warner Amex expect to get portions of NYC (Bronx and Brooklyn) franchises. Industry expects to spend $1.5 billion for 1983 construction, down from $1.7 billion in 1982.

2/83: Rogers/UA split up partnership. TCI takes control of Liberty Communications (22nd-ranked MSO with 250,000 subs) for $182 million.

5/83: Mile Hi Cablevision turns on.

7/83: NYC franchise board and Board of Estimate hammer out tentative outer borough franchise contracts. St. Paul picks Nor-West Cable for 111,000-home franchise. Gaylord buys TNN from American General Corp. TCI gets Tele-Media and 300,000 subs for $145 million and Cowles Media's CableScope system in Buffalo, N.Y. (60,000 subs) for $41.5 million. Barden Cablevision wins Detroit franchise recommendation. Prime Cable becomes manager of Atlanta system (105,000 subs). Daniels & Associates marks 25th anniversary.

8/83: St. Paul city council reverses franchise decision, picking Continental over Nor-West...Nor-West suit is defeated. Comcast forms joint venture to run systems in Great Britain.

9/83: United Cable wins East San Fernando Valley, Calif., franchise (165,000 homes); RCA folds Cablevision Systems equipment division, running since 1972.

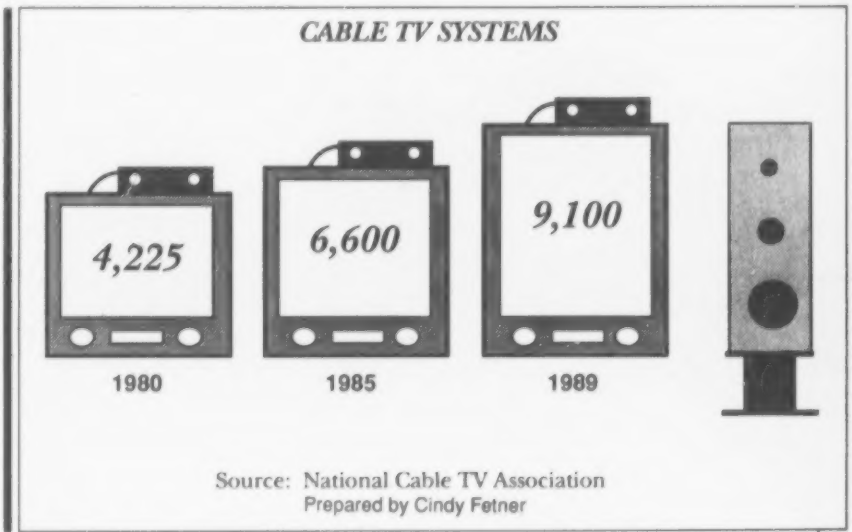
12/83: General Instrument buys Tocom for $28 million, after Tocom continues string of bad quarterly reports.

1/84: Warner Amex begins franchise retrenchment cycle in Milwuakee, reducing channel capacity and eliminating ancillary services, including QUBE. Getty Oil turns over 15 percent of ESPN to ABC Video Enterprises with option to increase the stake to 45 percent...deal worth $50 million.

4/84: TCI and STL Cablevision win St. Louis franchises covering 450,000 residents. TCI later assumes control of STL's property.

5/84: ABC acquires 100 percent of ESPN from Getty Oil, then sells 20 percent to RJR Nabisco.

7/84: District Cablevision, backed by TCI and BET President Bob Johnson, wins Wash-



Source: National Cable TV Association
Prepared by Cindy Fetner

per subscriber.

The volatility of pricing and demand led to a large-scale restructuring of the industry's hierarchy, a trend which began in 1985. From that year through the end of the decade, 28 million subscribers—roughly half of the industry's total subscriber count—changed hands.

Much of that churn was fueled by buyouts and consolidations among the industry's leaders.

Prior to KKR's Storer buyout, the largest deal in the industry's history was the Rogers/United Artists $400 million buyout of UA-Columbia in June 1981. In 1985, there were five bids for cable operations topping the billion-dollar mark, including TCI/ATC's joint bid for Warner Amex and Comcast's $2 billion offer for Storer, both of which failed. In addition to KKR's purchase of Storer, Jack Kent Cooke began his re-entry effort with a $1.2 billion bid for Multimedia's cable systems, and Group W took the first steps in the process that would result in the $2 billion sale of its extensive cable properties.

The mid-point of the decade was also marked by the intricacies of the takeover fever that bespangled American commerce. ABC fended off unwanted advances of hostile suitors by agreeing to its own acquisition by the much-smaller Capital Cities Broadcasting, a move that precipitated the sale of $350 million worth of cable systems to Post-Newsweek.

That move helped galvanize interest in media properties, prompting even entrenched players to seek acquisitions to bootstrap themselves into a position of preeminence in the media previously enjoyed only by the three conglomerates that owned broadcast networks and stations.

Turner Broadcasting System Inc., in fact, made overtures to step into that league in a single bound. When CBS succeeded in thwarting that initiative, Turner turned its sights on the MGM/UA studio and library.

While roundly criticized for overspending, and having been characterized a rube who had his pocket picked in one of Kirk Kerkorian's complicated deals, Turner was left with the library and the debt, while Kerkorian possessed the studio

ington, D.C., franchise.

8/84: Barden and Rogers get franchise concessions in Detroit and Portland, Ore. MTV Networks completes public offering (5.1 million shares at $15 per share).

9/84: Comsat merges proposed DBS venture with United Satellite Communications.

10/84: HBO takes equity in BET.

12/84: CBS buys equity in Rainbow Programming Services and SportsChannel for $57 million (50 percent of Rainbow/30 percent of most SportsChannel regional franchises).

2/85: Chicago approves reworked franchise plans...Group W Cable gets two sectors of city, TCI one, under scaled-down conditions. Scripps-Howard goes solo with Sacramento, Calif., newbuild when Cablevision Systems bails out.

3/85: Capital Cities strikes $3.5 billion merger plan with ABC, leads to dismantling of Capital Cities Cable; Coniston Partners launches Storer Communications liquidation attempt.

4/85: Storer accepts buyout offer from Kohlberg Kravis Roberts, stopping Coniston Partners. TBS makes CBS buyout offer. USCI shuts down after TCI fails to come in and save five-channel service...$70 million spent.

6/85: TCI and ATC make joint $1.3 billion bid for Warner Amex...fails. First Data Resources acquires Gill Management Services, becomes second-largest billing services company in industry. Warner Amex sells Dallas system to Heritage Communications for $110 million.

7/85: United Cable gets Baltimore franchise. Comcast makes $2.1 billion bid for Storer. Jack Kent Cooke returns to MSO owner ranks with $1.1 billion Multimedia takeover attempt. North Coast Cable wins 218,000-home Cleveland franchise, with Viacom later on board as managing partner...Ohio Bell builds fiber optic plant.

8/85: Storer rejects Comcast bid, opts to remain with KKR. Turner ends CBS buyout attempt, gets MGM/UA for $1.5 billion; Sammons pays $21 million for CBS' Blackhawk, Tex., experimental testbed (19,000 subs at time). Rifkin acquires Omni Cable TV (58,500 subs) for $55 million. Post-Newsweek Cable buys Capital Cities Cable properties (355,000 subs) at $350 million. Group W begins MSO sale exploration, figuring to land $2.1 billion. Viacom takes control of Showtime/The Movie Channel and MTV Networks for $685 million, preempting leveraged buyout by Bob Pittman, other MTV executives and Forstmann Little ($470 million).

11/85: Tribune Cable starts unraveling, as Tribune President Doug Dittrick makes deal for systems covering 50,000 homes for $50 million. Dittrick forms Douglas Communications and leaves Tribune 1/86. Texscan files for Chapter 11 bankruptcy.

THE TOP 10 MSOs

Prepared by Cindy Fetner

1980

		Basic Subs
1.	*Teleprompter Corp.*	1,274,754
2.	*American Television & Communications Corp.*	1,110,000
3.	*Community Tele-Communications Inc. (TCI)*	962,106
4.	*Cox Cable Communications*	806,359
5.	*Warner Amex Cable Communications*	685,000
6.	*Times Mirror Cable TV*	496,000
7.	*Viacom Cable*	444,508
8.	*Storer Cable TV*	431,000
9.	*Sammons Cable TV*	377,513
10.	*UA-Columbia Cablevision*	342,000

1985

		Basic Subs
1.	*Tele-Communications Inc.*	3,300,000
2.	*American Television & Communications Corp.*	2,400,000
3.	*Group W*	2,013,000
4.	*Cox Cable Communications*	1,540,533
5.	*Storer Cable Communications*	1,459,000
6.	*Warner Amex Cable Communications*	1,191,000
7.	*Times Mirror Cable TV*	993,789
8.	*Continental Cablevision*	939,000
9.	*Newhouse Broadcasting*	873,198
10.	*Viacom Cablevision*	785,000

1989

		Basic Subs
1.	*Tele-Communications Inc.*	6,228,526
2.	*American Television & Communications Corp.*	4,202,000
3.	*Continental Cablevision*	2,486,358
4.	*UA Entertainment*	2,477,000
5.	*Warner Cable Communications*	1,700,000
6.	*Storer Cable Communications*	1,531,000
7.	*Cox Cable Communications*	1,515,876
8.	*Comcast*	1,463,000
9.	*Cablevision Systems*	1,382,094
10.	*Jones Intercable/Spacelink*	1,325,552

and production facilities.

About to default on a payment to Kerkorian, Turner was bailed out in the eleventh hour by cable operators, who combined, formed a majority on the TBS board.

Within two years, Turner was pitching cable operators on his vision of a new programming network, TNT, and Wall Street began to pick up on TBS stock. Much of the lift was pinned not only to the ultimate success of the new network, but also to the value of the library itself. TNT launched in the fall of 1988 with the largest subscriber base in cable history. In just over a year, Turner signed affiliation agreements with all of the top 50

12/85: BQ Cable, first NYC outer borough franchise, turns on to 200 Flushing, Queens households...Warner Amex is owner.

1/86: Group W Cable makes $2.1 billion sale, slicing up the MSO among TCI, Comcast, ATC, Century Communications and Daniels. Hauser Communications buys Montgomery County, Md., system from Tribune/United Cable for $40 million, dumps TRACS. Heritage buys half of Gillcable/San Jose, Calif., system ($60 million). ATC and Houston Industries form Paragon Communications, using Group W properties. Cablevision Systems raises $80 million through sold-out public offering ($14.50 initial share price).

2/86: American Express leaves Warner Amex cable ventures, while Warner exercises an option to take AE's 50 percent stake. MCA acquires superstation WWOR for $387 million. Construction spending pegged at $1.2 billion for year, down from $1.3 billion in '85.

4/86: Daniels and Salomon Bros. form joint investment banking venture. Continental pays $130 million for McClatchy Newspapers' systems (86,000 subs in California and Nevada).

5/86: Heritage makes $41 per share bid for Rollins Communications.

7/86: TCI invests in Cencom Cable, then agrees to acquire UA Cablesystems through 51 percent controlling interest worth $1.2 billion.

8/86: General Instrument buys M/A-Com's cable home communications group for $220 million, gets control of VideoCipher division.

1/87: TBS gets $550 million capital infusion from 14 MSOs to pull off MGM/UA film library deal...ATC and TCI take seats on TBS board.

2/87: Construction spending goes below $1 billion in 1986, looking for $1.4 billion and better times in '87.

3/87: Sumner Redstone gains Viacom for $3.3 billion, brings in Frank Biondi from Coca-Cola to run shop.

6/87: Florida becomes industry's overbuild center when Telesat, subsidiary of Florida Power & Light, launches systems in several locations; Time Inc. sells one-third of USA Network to Paramount and MCA.

8/87: Cablevision Systems pays $474 million for Adams-Russell. Centel Cable has $100 million public offering.

10/87: Per-sub system sale rates reach $2,500-to-$3,000 range. Continental takes control of American Cablesystems (505,000 subs), pays $481.7 million. ML Media Partners is formed, then buys C4 Media, which later regroups.

11/87: TCI buys Tempo TV and Tempo Enterprises for $61 million.

12/87: Harte-Hanks Cable sells out to Adelphia, Prime Cable and Sutton Capital.

1/88: TCI and Comcast make co-ownership

MSOs.

Analysts speculated that had the library moved into syndication, the proceeds would have returned what Turner paid for them within three years. But held from syndication, and used solely to propel the fortunes of TNT, the films turned out to be, incredibly, even more valuable.

The maneuver ultimately evolved from TBS stock trading poorly in the mid-teens through much of the mid-decade to a margin-play that would triple in value in 1989.

Like Turner, some cable opera-

tors stumbled on the way to success. Companies like Centel, Cablevision Systems and Time Inc.'s ATC gave up public floats aimed at attracting Wall Street's attention and gaining some recognition of their underlying asset bases.

There was, in most cases, an initial blush of success. Cablevision Systems, for example, weathered a round savaging on the eve of its IPO, only to have the offering sell out in its first day at $14.50 a share. Yet, those floats failed to meet their objectives, as the gap between trading prices and asset values remained sizable.

The advent of rate deregulation helped to change that. With the withering of municipal strictures, service rates began to more closely reflect costs, while increased consumer contributions were plowed back into programming, precipitating increases in both the quantity and quality of cable programming.

On the heels of implementating cable deregulation in 1986, the industry's financial fortunes began to improve. Stagnant stock values picked up in general.

Progress slowed in the fall of 1987 in the wake of the October Dow Jones crash, but the severity of the crash, and the duration of the down-

Stock Market

EXCH	COMPANY	CLOSING QUOTE 11/30/89	CLOSING QUOTE 12/14/89	NET CHANGE IN PERIOD	PERCENT CHANGE IN PERIOD	P/E RATIO	ANNUAL DIV	ANNUAL YLD%	EARNINGS PER SHARE	52 WEEK HIGH	52 WEEK LOW
MSOs & PROGRAMMERS											
ASE	ACTON	14.00	16.00	2.00	14.28	70	0.00	—	0.30	24.13	11.00
OTC	ADELPHIA COMM	25.50	25.25	0.25	1.00	—	0.00	—		28.50	6.50
OTC	AMERICAN TELE & COMM	47.25	43.38	-4.00	8.48	—	0.00	—		59.25	36.25
ASE	CABLEVISION SYS (a)	39.25	39.63	-0.88	-0.67	—	0.00	—		47.25	29.75
OTC	C-TEC CORP	34.00	34.75	0.75	3.12	10	0.60	—	2.40	36.00	13.00
ASE	CENTURY COMMUNICATIONS	12.50	11.50	-1.00	-8.00	—	0.00	—		15.63	8.00
OTC	COMCAST	17.00	16.13	-0.87	-5.11	—	0.12	0.71		19.88	9.25
NYS	DISNEY	139.00	130.75	1.75	1.35	20	0.48	0.37	4.36	158.25	84.88
ASE	FALCON(L)	19.13	19.00	-0.63	-3.29	—	2.12	11.08		22.13	19.13
OTC	FINANCIAL NEWS NET	6.38	7.00	-0.88	-9.71	28	0.00	—	0.25	10.50	5.13
ASE	GALAXY	18.63	19.75	1.12	6.01	62	1.20	6.08	0.30	23.25	17.00
ASE	HOME SHOPPING NETWORK(H)	6.88	7.88	1.00	15.08	28	0.00	—	0.24	7.88	3.00
OTC	JONES INTERCABLE	15.38	15.75	-0.63	-3.84	—	0.00	—		20.88	12.13
ASE	JONES INTERCABLE INV	14.00	13.88	-0.12	-0.86	15	1.60	11.40	0.95	18.88	12.75
NYS	KNIGHT-RIDDER INC	61.13	64.50	3.37	5.69	21	1.32	2.30	2.40	68.38	42.88
NYS	MCA	69.00	68.88	-0.12	-0.07	31	0.96	0.99	2.20	71.38	48.38
OTC	MEDIA GENERAL	32.38	31.75	-0.73	-2.30	19	0.40	1.25	1.74	40.00	32.50
OTC	MULTIMEDIA	92.00	87.50	-4.50	-4.89	72	0.00	—	1.27	108.00	66.00
OTC	NOSTALGIA CHANNEL	2.13	2.13	0.00	0.00	—	0.00	—		6.00	0.50
ASE	NEW YORK TIMES	36.38	36.25	-0.13	-0.49	13	0.48	1.62	2.82	54.75	34.38
ASE	PHOENIX AMERICAN	3.75	3.75	0.00	0.00	7	0.00	—	0.52	4.75	2.50
NYS	PLAYBOY ENTERPRISES	18.00	18.50	0.50	2.72	107	0.00	—	0.16	18.38	12.13
OTC	QVC	19.75	15.88	2.13	10.49	—	0.16	0.73		21.25	6.00
OTC	SCRIPPS HOWARD BRDCST	67.00	67.00	0.00	0.00	—	1.00	1.49		85.00	57.00
OTC	TCA CABLE TV	19.25	18.75	-1.50	-8.21	38	0.40	2.19	0.51	21.38	13.38
OTC	TELE-COMMUNICATIONS	17.38	16.38	-1.00	-5.75	—	0.00	—		24.61	12.63
NYS	TIME INC.	133.13	125.00	-8.13	-6.10	27	1.00	0.76	4.66	162.75	103.00
NYS	TIMES MIRROR	38.92	38.50	-0.50	1.36	14	1.00	2.74	2.80	46.00	32.38
NYS	TRIBUNE CO.	44.00	46.50	2.50	5.80	15	0.88	2.03	2.96	53.13	39.38
ASE	TURNER BROADCASTING	55.00	54.13	-0.87	-1.58	—	0.00	—		60.75	17.00
OTC	UNITED ARTISTS ENTER.	19.75	18.63	-1.12	5.67	29	0.00	—	0.69	28.75	17.25
ASE	VIACOM	60.00	59.50	1.50	2.58	—	0.00	—		65.38	30.50
ASE	VIDEO JUKEBOX(H)	5.38	6.88	1.50	23.80	—	0.00	—		6.50	2.63
NYS	WARNER COMM.	63.88	61.38	-1.48	2.68	24	0.68	1.07	2.80	67.88	36.50
OTC	WASHINGTON POST BRDCST	279.38	273.00	-6.38	-2.33	11	1.88	0.67	24.52	308.00	204.00
OTC	WESTMARC	32.00	31.00	-1.00	-3.12	41	0.00	—	0.79	32.00	17.00
SERVICE & FINANCIAL COMPANIES											
OTC	BURNUP & SIMS	18.00	17.38	-1.62	8.62	41	0.00	—	0.48	24.88	15.00
NYS	CAPITAL CITIES	640.00	647.00	7.00	1.09	24.60	0.80	0.04	26.48	648.10	362.00
NYS	PARAMOUNT	64.88	63.88	-4.00	7.32	19	1.40	2.50	3.88	68.38	39.88
MANUFACTURERS & DISTRIBUTORS											
OTC	ARTEL	8.13	8.88	0.88	8.15	—	0.00	—		8.13	1.50
NYS	ARVIN	18.38	18.88	0.13	0.68	11	0.88	4.38	1.41	28.75	14.88
NYS	AUGAT(H)	8.13	10.00	4.87	59.80	14	0.40	4.02	0.57	18.38	5.88
OTC	CABLE EXCHANGE(L)	0.88	0.38	-0.88	-88.88	—	0.00	—		5.38	0.38
OTC	C-COR ELECTRONICS	10.88	10.50	-0.38	1.88	22	0.00	—	0.88	17.88	9.75
NYS	CONTEL CORP.	36.38	33.50	0.88	0.75	80	2.38	6.82	0.88	36.75	18.88
OTC	GANDALF TECH.	5.75	4.88	0.87	15.13	9	0.00	—	0.64	6.88	2.88
NYS	GENERAL INSTRUMENT	39.38	37.38	-1.88	-2.61	13	0.80	1.31	2.85	40.88	26.38
OTC	GRAPHIC SCANNING	10.75	10.00	-0.75	-6.97	9	0.00	—	1.34	12.00	6.88
NYS	HARRIS CORP.	23.88	24.88	1.88	2.97	12	0.88	2.82	2.74	28.88	20.88
NYS	M/A-COM (L)	6.88	5.88	-0.88	-8.88	10	0.24	4.36	0.88	8.88	4.88
NYS	OAK INDUSTRIES	1.88	1.12	0.13	0.13	6	0.00	—	0.12	1.75	0.75
ASE	PICO PRODUCTS	1.13	1.88	0.88	44.84	—	0.00	—		2.75	0.88
NYS	PIONEER ELECTRONICS	78.70	82.75	7.88	9.84	82	0.18	0.84	1.47	88.88	48.88
OTC	RADIATION SYSTEMS	11.88	11.75	-0.13	-1.08	18	0.18	0.84	0.73	12.88	8.88
NYS	SCIENTIFIC-ATLANTA	34.38	34.88	0.38	1.08	17	0.12	0.48	1.41	34.75	12.88
OTC	WISCHNER	2.88	2.88	-0.38	-18.18	288	0.00	—	0.01	4.75	2.88
NYS	TEKTRONIX	18.75	18.88	-0.13	-0.77	80	0.80	3.88	0.18	24.38	18.75
NYS	VARIAN ASSOCIATES	22.38	21.88	-0.87	-1.88	18	0.28	1.17	2.28	30.88	18.88
OTC	WAVETEK(L)	4.38	4.88	-0.38	-8.88	—	0.00	—		8.88	3.88

MARKET DIARY:

ADVANCES	25
DECLINES	31
UNCHANGED	3
NEW HIGHS	3
NEW LOWS	4

LARGEST DOLLAR GAINER...Capital Cities . . . . . +$7.00
LARGEST DOLLAR LOSER...Time Inc. . . . . -$ 8.13
LARGEST PERCENTAGE GAINER...Augat . . . . . +39.80%
LARGEST PERCENTAGE LOSER...Cable Exchange . . . . . -88.88%

(H) = NEW HIGH IN PERIOD
(L) = NEW LOW IN PERIOD
(d) = DERCIT
(a) = reflects stock split

ALL OTC QUOTES ARE REPRESENTED BY THE BID PRICE

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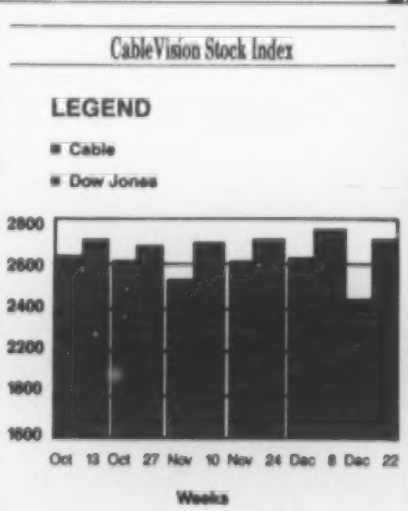
* Shearson Lehman Hutton, Incorporated was manager or co-manager of a public offering of this issuer or one of its

CableVision Stock Index



deal for Storer, setting $2.9 billion price...ATC and Robert Bass are involved at time.

2/88: Daniels & Associates sells MSO division to UA for $190.4 million.

3/88: United Cable and UA Cablesystems form merger agreement to become UA Entertainment, valued at $1.6 billion...United also invests in Blockbuster Entertainment, home video store chain.

5/88: TCI and Comcast rework Storer acquisition for $2.8 billion. Warner buys Lorimar-Telepictures at $628.5 million. Robert Bass sells Taft Cable Partners stake to TCI. Cablevision Industries takes over Wometco Cable for $720 million.

6/88: Pacific Telesis mulls UA teamup for Rogers Cablesystems. Ed Allen leaves Western Communications and forms InterMedia Partners.

9/88: Cable Value Network buys The Fashion Channel, saves it from bankruptcy. Houston Industries acquires Rogers Cablesystems, renames it KBLCOM at first and Paragon Cable second.

10/88: US West, under former ATC strategic planner Gary Bryson, creates cable marketing group.

12/88: NBC forms joint programming venture with Cablevision Systems, covering CNBC, Rainbow, SportsChannel and SportsChannel America.

1/89: NYT Cable sold to partnership of Lenfest, Comcast and minority investor J. Bruce Llewellyn. Cooke Cablevision sold piecemeal to InterMedia Partners, TCI, Adelphia, Falcon and TCA Cable.

3/89: Time Inc. sets $18 billion merger with Warner Communications, goes through in summer after Paramount Communications' buyout attempt is thwarted.

4/89: PacTel & Prime Cable team for Group W Cable Chicago buyout, if courts approves waiver. Centel Cable sells out to ATC, C-Tec, Jones, Simmons, Warner and Adelphia...deals add up to $1.4 billion and 578,000 subs. Continental marks 25th anniversary.

5/89: TCI buys WestMarc Communications (50 percent share not previously owned).

6/89: United/UA merger completed. Walt Disney Co. buys interest in Viewer's Choice, with Times Mirror to follow. Lenfest takes complete control of NuStar. Telecable puts systems on block, then retracts. QVC agrees to merge with Cable Value Network.

7/89: InterMedia Partners buys Hearst Cablevision for $170 million; second Cooke Cablevision sale attempt successful. HBO assumes management control of Movietime.

10/89: Viacom sells half-ownership of Showtime Networks to TCI for $225 million. Gilbert Media puts properties on block after founder Peter Gilbert dies. Insight Communications plans to leave U.S. cable system ownership and concentrate on European system opportunities and cellular.

turn, hit nearly every other domestic industry more severely than cable. Not only did publicly held cable companies rebound swiftly, but the gap between stock prices and asset values began to close. Yet, the acceleration of system values helped cable companies strike a fine balance: cable stocks moved closer to the underlying assets, while the exit multiples kept advancing liquidation values.

By the close of the decade, revolutionary moves were helping to keep cable as volatile an industry as it was through the '80s. ■

This notice appears as a matter of record only. November 1989.

SCRIPPS HOWARD CABLE COMPANY

has aquired the cable television system
operating in and around the community of
Berthoud, Colorado

f r o m

LARIBAY CABLEVISION
LIMITED PARTNERSHIP

the transaction consisted of 2000 homes passed
and approximately 1000 basic subscribers.

Joseph Duggan
represented the seller
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The CABLE POLL — DATABASE

™Midwest CATV & CableVision Magazine

Systems increasingly see need for training given to installers; half demand certification

As cable technology advances and plant topology becomes increasingly complex, general managers are finding it necessary to devote more attention to the resources and training given to installers and technicians. But a Cable Poll™ survey of nearly 400 system management personnel discloses that the sorts of problems that systems are experiencing with work crews are of the age-old variety—not installing a drop right the first time, or failing to always take adequate care of expensive equipment.

A notable statistic from the Cable Poll™ survey is that half of all systems now require installers and technicians to become certified in their line of work, a figure which Bill Riker, president of the Society of Cable TV Engineers, said he found both surprising and encouraging. Significantly, the mandatory certification figure rises to 69 percent of systems owned by top-25 MSOs. Such certification can be obtained through in-house training courses provided on a continuing basis by most cable companies, through correspondence training offered by the National Cable Television Institute or through many technical schools or local community colleges.

Number 8 in a series of ten

Ninety percent of those surveyed said their system provides in-house training for installers and technicians. Among just those systems with more than 50,000 subscribers, all of the 22 who were contacted said they provide such in-house training. Of those systems that don't provide their own training, nearly eight out of ten said they provide time off or other assistance so that personnel can seek training toward certification externally.

Allowing time off is important, Riker said, because it allows installers to receive instruction without interrupting their income and on-the-job training. The SCTE is encouraging its 50-odd chapters to offer the I/T training course during evenings or weekends and is rebating some funds to support the outreach.

The sharp upswing in installer training obviously is paying off. Among those surveyed, 27 percent said installers and technicians who are certified perform their jobs "a lot" better, while 32 percent said they are "some" better. A scant six percent, barely within the margin of error of the poll, said they found no difference in job performance between certified personnel and those without certification.

Riker noted that SCTE decided to build on its Broadband Technician/Engineer training courses by launching an I/T training program because "the installer is the person the subscriber sees the most, and his impression of how the company operates is judged by the first impression of the installer. But he is the person given the least training and is the lowest paid."

According to the poll, the complaints that system managers have with installers and technicians fall into three broad categories: Failing to get the job done right the first time; failing to create a good impression with the public; and failing to take adequate care of major equipment, such as trucks and test gear.

Among all systems surveyed, half said not getting the job done right the first time—a figure that rises to 73 percent among systems with more than 50,000 subs—caused "a lot" of problems, in all likelihood because it required a second truck roll. An additional 32 percent of respondents said it caused "some" problems, while only 12 percent of operators said they encountered the problem infrequently.

(It is in this area that Riker and others said that formal installer training is most beneficial to a system. A study done by Jones Intercable two years ago found that the majority of its truck rolls simply were to correct improperly installed F-connectors. As part of the SCTE's I/T course, a candidate must pass several written exams as well as physically demonstrate they can correctly install a drop and read a meter.)

Operators increasingly are sensitive to the image they project in the community, and, as Riker noted, it is the installers and technicians who most often come into direct contact with the public. Failing to make a good impression, either by not appearing neat and clean or by not being able to quickly resolve the subscriber's problem, was cited by 62 percent of all operators surveyed as causing "a lot" of problems.

The incidence of such image problems increase in direct proportion to the size of the system. At systems with fewer than 10,000 subscribers, the public perception created by installers and technicians was cited as a negative factor by 55 percent of respondents, a figure below the industry average, while 74 percent of managers at mid-size systems said it was a problem "a lot" of the time. And 77 percent of systems with more than 50,000 subscribers, which tend to operate in more urban areas, cited installers and technicians not making a good public impression as a major concern, the Cable Poll™ figures show.

A negative impression is one thing,

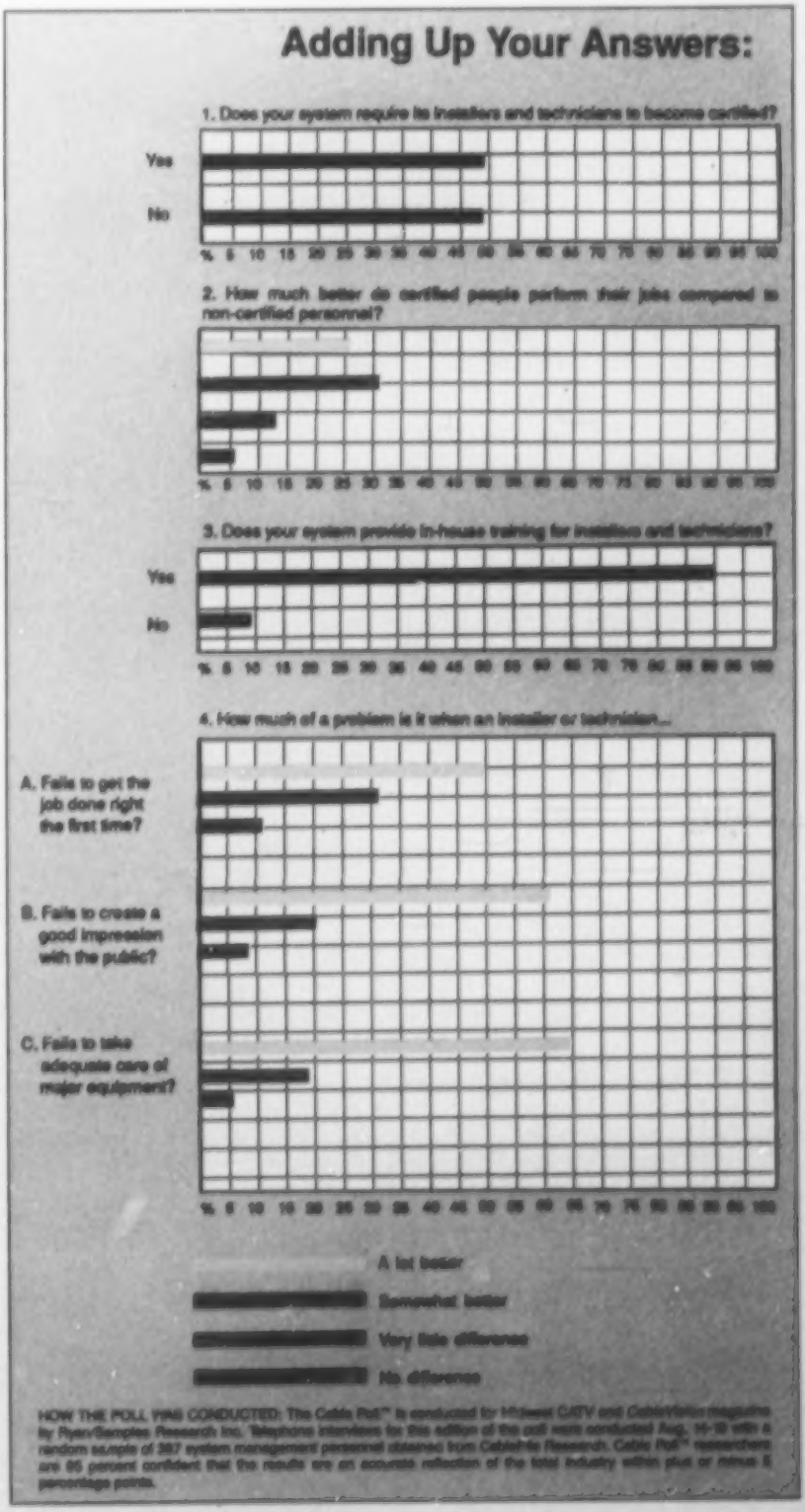
but wrecking a truck or breaking an expensive test device really gets a manager's dander up, according to the survey. Overall, the highest negative scores for installers and technicians came in the area of failing to adequately care for equipment.

In that category, 65 percent of all respondents said they had "a lot" of problems with proper care of equipment, which is three percentage points higher than the image problem and 15 points above not getting the job done right the first time. Interestingly, the percentage citing care of equipment as a major concern varies little according to the size of the system or whether it is owned by a large or small MSO.

One way to double-check whether care of equipment in fact is a greater installer/technician problem than public image or getting the job done right the first time is to analyze the responses of system managers who say they have "very little" concern in the three areas. Twelve percent of all respondents reported few problems with installers and technicians correctly doing the job the first time; eight percent said they have had few image problems with installers and technicians, while a scant six percent said they had experienced few problems with proper care of equipment.

Riker said he was encouraged by developments on two fronts. One is that he was just named to the board of the cable museum at Penn State to assist the university in developing a bachelor's degree in cable technology. The other is an unemployment program in Texas in which a training firm, using the SCTE's I/T manual, trained the unemployed to get jobs at cable companies. In the first class of 13, all 13 graduated and got jobs as installers, he said. ■

Adding Up Your Answers:


1. Does your system require its installers and technicians to become certified?
Yes
No
2. How much better do certified people perform their jobs compared to non-certified personnel?
3. Does your system provide in-house training for installers and technicians?
Yes
No
4. How much of a problem is it when an installer or technician...
A. Fails to get the job done right the first time?
B. Fails to create a good impression with the public?
C. Fails to take adequate care of major equipment?
A lot better
Somewhat better
Very little difference
No difference

HOW THE POLL WAS CONDUCTED: The Cable Poll™ is conducted for Midwest CATV and Cablevision magazine by Ryan/Samples Research Inc. Telephone interviews for this edition of the poll were conducted Aug. 14-18 with a random sample of 387 system management personnel obtained from Cablefile Research. Cable Poll™ researchers are 95 percent confident that the results are an accurate reflection of the total industry within plus or minus 5 percentage points.

Top 100 MSO's

Rank		Multiple system operator	Basic subs	
	1.	Tele-Communications Inc.	6,228,526	(6/89)
	2.	American Television & Communications Corp.	4,380,000	(12/89)
	3.	UA Entertainment	2,530,000	(9/89)
	4.	Continental Cablevision	2,486,359*	(7/89)
	5.	Warner Cable Communications	1,700,000	(9/89)
	6.	Storer Cable Communications	1,531,000	(8/89)
	7.	Cox Cable Communications	1,500,000	(10/89)
	8.	Comcast	1,490,000	(11/89)
(10)	9.	Jones Intercable/Spanish	1,411,936	(12/89)
(9)	10.	Cablevision Systems	1,396,357	(11/89)
	11.	Newhouse Broadcasting	1,200,000	(11/89)
	12.	Heritage Communications	1,131,343	(11/89)
	13.	Times Mirror Cable TV	1,051,486	(10/89)
	14.	Viacom Cable	994,089	(11/89)
	15.	Cablevision Industries	972,900	(8/89)
	16.	Simmons Communications	870,898	(9/89)
	17.	Century Communications	825,000	(10/89)
	18.	Adelphia Communications	751,700	(9/89)
	19.	Paragon Communications	750,000	(10/89)
	20.	Combe Cablevision	730,000	(5/89)
	21.	Falcon Cable TV	700,000	(10/89)
	22.	Telerama	580,000	(5/89)
	23.	WestMarc Communications	564,000	(9/89)
	24.	KBLCOM	550,100	(4/89)
	25.	Scripps-Howard	539,000	(9/89)
	26.	Multivision Cable TV	482,000	(4/89)
	27.	Tele-Media	475,165	(9/89)
	28.	Prism Cable	450,000	(5/89)
	29.	Lenfest Group	437,833	(8/89)
(40)	30.	Cencom Cable	410,000	(11/89)
(30)	31.	Post-Newsweek Cable	403,000	(4/89)
(31)	32.	Marcus Hoyter Cable TV	367,500	(5/89)
(32)	33.	TCA Group	349,300	(4/89)
(33)	34.	Calvary Communications	327,795	(9/89)
(34)	35.	Rifkin & Associates	324,000	(4/89)
(35)	36.	Multimedia Cablevision	321,300	(4/89)
(36)	37.	Simmons Communications	315,000	(12/89)
(37)	38.	TKR Cable	270,482	(5/89)
(38)	39.	Triax Communications	277,500	(6/89)
(39)	40.	Western Communications	266,700	(4/89)
	41.	Hauser Communications	247,000	(7/89)
	42.	Gaylord Cable	242,000	(11/89)
	43.	Star Cablevision Group	240,976	(8/89)
	44.	Service Electric Cable TV Inc.	211,500	(4/89)
	45.	Greater Media	205,000	(9/89)
	46.	King Videocable	190,915	(8/89)
	47.	Sutton Capital	189,170	(9/89)
	48.	Harron Communications	185,000	(8/89)
	49.	Columbia International	176,350	(8/89)
	50.	Media General	176,000	(6/89)
	51.	C-TEC Cable Systems	174,614	(9/89)
	52.	U.S. Cable Corp.	168,000	(9/89)
	53.	Palmer Communications	160,561	(5/89)
	54.	Insight Communications	157,700	(4/89)
	55.	Armstrong Utilities	153,337	(7/89)
	56.	Northland Communications	141,398	(11/89)
	57.	Sammis Communications	141,000	(10/89)
	58.	Bresnan Communications	127,105	(8/89)
	59.	Booth Communications	124,893	(9/89)
(61)	60.	Susquehanna Broadcasting	116,370	(9/89)
(62)	61.	McDonald Group	115,200	(4/89)
(65)	62.	United Video Management	113,132	(8/89)
(64)	63.	Pencor Services	107,200	(10/89)
(63)	64.	Fine Carolina Communications	99,500	(3/89)
(66)	65.	Sonic Communications	97,837	(12/89)
	66.	Midcontinent Cable Systems Co.	95,550	(6/89)
	67.	WEHCO Video	93,900	(4/89)
	68.	Gilbert Media	85,000	(6/89)
	69.	Classic Communications	80,000	(5/89)
	70.	Selkirk Communications	80,000	(9/89)
	71.	Mission Cable	72,296	(8/89)
	72.	Boston Cablevision	70,945	(8/89)
(74)	73.	James Cable Partners	70,000	(4/89)
(81)	74.	Peach Communications	62,200	(10/89)
	75.	Cardinal Communications	60,500	(6/89)
	76.	Prestige Cable TV Inc.	60,410	(7/89)
	77.	Leonard Communications	60,000	(10/89)
	78.	Omega Communications	60,000	(5/89)
	79.	Helicon Corp.	59,000	(2/89)
	80.	Hoosier Communications Of California	56,520	(5/89)
	81.	Telesat Cablevision Inc.	57,235	(6/89)
(73)	82.	Douglas Communications	55,000	(11/89)
	83.	Sisco Cable TV	54,700	(3/89)
	84.	Gaffney Cablevision	54,627	(8/89)
	85.	Joseph Gans Cable TV	50,000	(8/89)
	86.	New England Cablevision	49,000	(4/89)
	87.	Republic Communications Corp.	48,000	(3/89)
	88.	Rich Associates	47,500	(3/89)
	89.	Disney Media Group	47,500	(3/89)
(91)	90.	Cable America Corp.	46,101	(11/89)
(90)	91.	360 Corp.	45,000	(3/89)
	92.	Cablevision Inc.	43,450	(10/89)
	93.	Cable Holdings Inc.	43,130	(10/89)
	94.	Mounts Corp.	43,120	(8/89)
	95.	Star Cable Associates	42,000	(8/89)
	96.	Eastern Connecticut Cable TV	41,820	(6/89)
	97.	CA Media	41,275	(7/89)
	98.	Bayou Co.	40,447	(8/89)
	99.	Acton Corp.	40,400	(3/89)
	100.	Sahara Communications	40,070	(8/89)

( ) Rank last listing

Subscriber counts are provided by MSOs and systems in Cable Vision. Figures will be updated quarterly unless information is provided by MSOs or systems. Send updates to Cable Vision, 345 Park Avenue So., 3rd Floor, New York, NY 10010.

Top 100 Systems

Rank	Location	Operator	Basic subs	
1.	Long Island, NY	Cablevision Systems	481,010	(11/89)
2.	Orlando/Central Complex, FL	ATC	480,000	(10/89)
3.	San Diego, CA	Cox Cable	383,637	(6/89)
4.	San Antonio, TX	KBLCOM	234,035	(6/89)
5.	Manhattan, NY	ATC	231,864	(6/89)
6.	Puget Sound, WA	Viacom	225,000	(6/89)
7.	Phoenix, AZ	Times Mirror	220,968	(5/89)
8.	East Orange, NJ	Marcus Hoyter	212,000	(5/89)
9.	Honolulu, HI	ATC	206,251	(10/89)
10.	Chicago (suburbs), IL	Continental	181,527	(9/89)
11.	Rochester, NY	ATC	180,000	(9/89)
12.	Houston, TX	Warner	179,000	(9/89)
13.	Wayne, NJ	UA Entertainment	176,050	(11/89)
14.	Louisville/Jeff. Co., KY	Storer Communications	170,000	(8/89)
15.	Cherry Hill, NJ	Garden State Cable	168,000	(9/89)
16.	Cincinnati, OH	Warner	167,000	(6/89)
17.	Cleveland, OH	Cablevision Systems	166,192	(11/89)
18.	Atlanta, GA	Prism Cable	166,000	(9/89)
19.	Hampton Roads, VA	Cox Cable	164,699	(6/89)
20.	Fairfax, VA	Media General	164,319	(6/89)
21.	Tulsa, OK	UA Entertainment	159,551	(7/89)
22.	Connecticut Complex	Cablevision Systems	159,539	(11/89)
23.	Kansas City, MO	ATC	158,502	(11/89)
24.	Jacksonville, FL	Continental Cablevision	154,600	(5/89)
25.	Hartford/Prainville/Vernon, CT	UA Entertainment	152,681	(6/89)
26.	Chicago, IL	TCI	148,817	(4/89)
27.	Charlotte, NC	ATC	148,000	(9/89)
28.	Brooklyn/Queens, NY	Warner	147,000	(9/89)
29.	San Jose/Campbell, CA	Heritage	145,000	(6/89)
30.	Baltimore County, MD	Comcast	144,000	(6/89)
31.	Memphis/W. Memphis, TN	ATC	143,957	(10/89)
32.	Manhattan, NY	Paragon	142,500	(6/89)
33.	Pompano, FL	Continental	140,054	(9/89)
34.	Buffalo, NY	Adelphia Communications	139,515	(9/89)
35.	Denver (suburbs), CO	UA Entertainment	139,300	(6/89)
36.	San Diego, CA	ATC	135,300	(11/89)
37.	St. Louis, MO	Comcast	135,230	(9/89)
38.	San Francisco, CA	Viacom	134,000	(6/89)
39.	Austin, TX	ATC	126,300	(10/89)
40.	Marion/Stuart Co., FL	Comcast	125,000	(10/89)
41.	Seattle, WA	TCI	124,643	(8/89)
42.	Warren, NJ	TKR	119,300	(3/89)
43.	Pinellas County, FL	Newhouse	114,000	(5/89)
44.	Wilmington, DE	Heritage	112,000	(6/89)
45.	Tacoma, WA	Viacom	112,000	(6/89)
46.	Grand Rapids, MI	UA Entertainment	111,195	(6/89)
47.	San Diego County, CA	Times Mirror	111,000	(5/89)
48.	Toledo, OH	Multi Communications	110,705	(5/89)
49.	Southeast Michigan	Comcast	110,000	(6/89)
50.	Chicago Suburbs, IL	Comcast	109,576	(5/89)
51.	Raleigh/Durham, NC	ATC	109,000	(9/89)
52.	Las Vegas, NV	Prism Cable	107,200	(3/89)
53.	Dallas, TX	Heritage	107,244	(6/89)
54.	Jefferson Parish/Kenner, LA	Cox Cable	106,332	(6/89)
55.	San Juan, PR	Multivision Cable	106,046	(6/89)
56.	Indianapolis, IN	Comcast	104,000	(6/89)
57.	Boston/Brookline, MA	Cablevision Systems	103,304	(11/89)
58.	Richmond, VA	Continental	102,123	(10/89)
59.	Nashville, TN	Viacom	101,300	(6/89)
60.	Hillsborough/Tampa, FL	Paragon	100,284	(2/89)
61.	Pittsburgh, PA	TCI	98,950	(8/89)
62.	Jackson, MS	ATC	98,915	(10/89)
63.	Chicago, IL	Group W	98,300	(3/89)
64.	Monmouth, NJ	Sutton Capital	97,570	(9/89)
65.	Greensboro, NC	ATC	96,140	(10/89)
66.	St. Petersburg, FL	Paragon	95,612	(2/89)
67.	Columbus, OH	Warner	93,000	(9/89)
68.	Reading, PA	ATC	92,800	(10/89)
69.	Naples, FL	Palmer	54,450	(6/89)
70.	Worcester Complex, MA	Greater Media	94,097	(9/89)
71.	Portland, OR	KBLCOM	91,500	(8/89)
72.	Dade/Broward County, FL	Storer	90,000	(2/89)
73.	Wichita, KS	Multimedia	89,752	(9/89)
74.	Independence, MO	Jones	88,600	(9/89)
75.	Tucson, AZ	Cox	86,976	(6/89)
76.	Fresno, CA	Continental	86,317	(10/89)
77.	Akron, OH	Warner	86,000	(9/89)
78.	Fayetteville, NC	ATC	86,000	(10/89)
79.	Milwaukee, WI	Warner	85,000	(9/89)
80.	Minneapolis/St. Paul suburbs, MN	Viacom	84,000	(10/89)
81.	Harrisburg, PA	Storer	83,500	(8/89)
82.	Orange County, CA	KBLCOM	82,165	(2/89)
83.	Baton Rouge, LA	UA Entertainment	84,970	(6/89)
84.	Dover/Morristown, NJ	Sammons	84,640	(3/89)
85.	Montgomery County, MD	Viacom	84,000	(9/89)
86.	Albuquerque, NM	Jones Intercable	83,119	(3/89)
87.	South Bend, IN	Heritage	82,744	(6/89)
88.	Houston Suburbs, TX	Prism Cable	82,000	(5/89)
89.	Hartford Complex/ Boston Suburbs, MA	Warner	81,000	(5/89)
90.	Buffalo, NY	TCI	81,300	(10/89)
91.	Oakland County, MI	UA Entertainment	80,366	(6/89)
92.	Oklahoma City, OK	Cox Cable	79,104	(6/89)
93.	New Orleans, LA	Cox Cable	78,979	(6/89)
94.	Providence/Warwick, RI	Times Mirror	78,328	(6/89)
95.	W. San Fernando Valley, CA	CW Industries	78,300	(6/89)
96.	Allentown, PA	Service Electric	78,000	(8/89)
97.	Thousand Oaks, CA	Viacom	78,000	(6/89)
98.	Indianapolis, IN	ATC	77,715	(10/89)
99.	Omaha, NE	Cox Cable	77,175	(6/89)
100.	South Texas, TX	Heritage	77,120	(8/89)